

FIRM BROCHURE

FIRST SABREPOINT CAPITAL MANAGEMENT, LP

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This brochure provides information about the qualifications and business practices of First Sabrepoint Capital Management, LP. If you have any questions about the information contained in this brochure, please contact us at 214-432-1593. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of an offering memorandum and governing documents that contain the material terms relating to such investment, products or services.

Additional information about First Sabrepoint Capital Management, LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 30, 2020

Item 2: Material Changes

Since March 20, 2019, the date of the initial version of our firm brochure, the firm has made the following material change to this brochure:

- Item 1, Cover Page, has been updated to reflect the firm's new address.
- Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, has been updated to reflect information about risks related to epidemics, pandemics, and public health issues, which may affect market volatility.

In connection with the annual updating amendment to our firm brochure, we will include a summary of any material changes made to this brochure since the date of this initial filing in response to this item.

The information set forth in this brochure is qualified in its entirety by the applicable offering and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable offering and/or governing documents, such documents will control.

We encourage all investors to carefully review this document in its entirety.

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Item 4: Advisory Business

FIRM DESCRIPTION

First Sabrepoint Capital Management, LP (“Sabrepoint”), a Texas limited partnership and private investment advisory firm doing business as Sabrepoint Capital Management, was formed in February 2016. Sabrepoint currently provides investment management and other services solely with respect to an affiliated private pooled investment vehicle, Sabrepoint Capital Partners, LP, a Delaware limited partnership (the “Fund”), interests in which may be offered to eligible investors on a private placement basis. We have full discretionary authority with respect to the investment decisions of the Funs. Our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the Fund’s offering and governing documents. The information set forth in this brochure is qualified in its entirety by the Fund’s offering and governing documents.

Sabrepoint is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Sabrepoint Capital Participation, LP, a Texas limited partnership and one of our affiliates (the “General Partner”) is the general partner of the Fund. **See “Item 10: Other Financial Industry Activities and Affiliations.”** Except as the context otherwise requires, any references to “we,” “us” or “our” in this brochure includes Sabrepoint and the General Partner.

PRINCIPAL OWNERS

Both Sabrepoint and the General Partner are owned and controlled by George H. Baxter (the “Principal”).

TYPES OF ADVISORY SERVICES

Sabrepoint is investment manager to the Fund, and the Fund is currently its only advisory client. Sabrepoint is responsible for investing and re-investing the capital of the Fund in securities, financial instruments and/or other assets in accordance with the investment objectives, policies and guidelines set forth in the Fund’s offering and governing documents. **See “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.”**

INVESTMENT RESTRICTIONS

We generally provide investment advice to the Fund in accordance with the investment objectives, policies and guidelines set forth in the Fund’s offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in the Fund. Investors generally are not permitted to impose restrictions on investments in certain securities or types of securities or limitations on the management of the Fund. Notwithstanding the foregoing, we have entered into, and may in the future enter into, side letter agreements or similar arrangements with certain investors in the Fund that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the governing documents of the Fund in respect of such investors. Among other things, these agreements may entitle an investor in the Fund to lower fees, information or transparency rights, most favored nations status, investment capacity rights, notification rights, rights or terms necessary or advisable in light of particular legal, regulatory or policy considerations of or related to an investor and/or other preferential rights and terms.

Interests in the Fund are privately offered only to eligible investors pursuant to exemptions under the Securities Act of 1933, as amended (the “Securities Act”), and the regulations promulgated thereunder. The Fund is not registered with the SEC as investment companies based on specific exclusions from the definition of investment company under the Investment Company Act of 1940, as amended (the “Company Act”).

ASSETS UNDER MANAGEMENT

As of December 31, 2019, we had approximately \$427 million in regulatory assets under management. All of these assets were managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND BASIC FEE SCHEDULE

In consideration of our advisory services, we generally receive management fees and performance allocations with respect to the Fund. While our fees are described in detail in the Fund's governing and offering documents, a brief summary of our advisory fees is set forth below.

We generally are entitled to receive from the Fund an annual management fee, as of the beginning of each calendar quarter in advance, equal to 0.375% (1.5% per annum) of the capital account balance of each applicable limited partner of such Fund as of the beginning of such calendar quarter. Management fees are deducted directly from the capital account of each applicable limited partner of the Fund.

In addition, we generally are entitled to receive an annual performance allocation equal to twenty percent (20%) of the net profits (subject to certain adjustments and limitations) allocated to the capital account of each applicable limited partner in the Fund during the applicable fiscal year (or such other applicable performance period). Performance allocations are allocated directly from the capital account of each applicable limited partner of the Fund to our capital account or the capital account of an affiliate. Performance allocations are subject to a "high water mark" limitation with respect to each applicable limited partner in the Fund. As a result, after the first year in which a performance allocation is earned, the performance allocation for later years applies only to the extent that a limited partner's *pro rata* share of net profits, measured on a cumulative basis, for all years since admission to the applicable Fund exceeds the highest level of cumulative net profits achieved through the close of any prior year since admission.

Our advisory fees with respect to each limited partner in the Fund generally are not negotiable. However, we have entered into, and may in the future enter into, side letters or similar arrangements with certain investors that grant different terms (including lower fees) to such investors than the terms generally applicable to other limited partners in the Fund.

Each investor in the LP Fund generally must be, among other things (i) an "accredited investor," as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and (ii) a "qualified client," as such term is defined in Rule 205-3 under the Advisers Act.

OTHER FEES AND EXPENSES

The Fund bears the expenses of the organization of the Fund and the offering of Interests (including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses). In general, the Fund's financial statements will be prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). However, the Fund intends to amortize its organizational expenses over a period of 60 calendar months from the date the Fund commences operations because it believes such treatment is more equitable than expensing the entire amount of the organizational expenses in the Fund's first year of operation, as is required by GAAP. The General Partner may, however, limit the amount of start-up and organizational expenses that the Fund amortizes so that the audit opinion issued with respect to the Fund's financial statements will not be qualified.

The Fund bears all costs and expenses related to its investment program, including expenses related to proxies, underwriting and private placements, Bloomberg terminals, research, trade publications, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on the Fund. The Fund also bears all out-of-pocket costs of the administration of the Fund, including accounting, audit and legal expenses, costs of any litigation or investigation involving the Fund's activities and costs associated with reporting and providing information to existing and prospective Limited Partners. However, the General Partner may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund.

The Fund does not have its own separate employees or office, and it does not reimburse the General Partner or Sabrepoint for salaries, office rent and other general overhead costs of the General Partner or Sabrepoint. The General Partner and Sabrepoint generally pay all of their own operating and overhead expenses including salaries, office rent and other general overhead costs. A portion of the commissions generated on the Fund's brokerage transactions may generate "soft dollar" credits that the General Partner and Sabrepoint are authorized to use to pay brokers and other providers for research and other research related services and products used by the General Partner and Sabrepoint. It is our current policy to limit such use of soft dollars to fall within the safe harbor of Section 28(e) of the Securities

Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise reasonably related to the investment decision making process. **See “Item 12: Brokerage Practices.”**

As noted above, the Fund is generally responsible for and pays all brokerage commissions and other transaction costs. **See “Item 12: Brokerage Practices.”**

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED ALLOCATIONS

As noted under “**Item 5: Fees and Compensation**” above, we generally are entitled to receive performance allocations with respect to the Fund. Performance allocations could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Our individual employees and affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflict. Because the performance allocation is calculated on a basis that includes unrealized appreciation in the Fund’s portfolio based upon values assigned by us, we face a conflict of interest in valuing the Fund’s portfolio. We address these conflicts through full and fair disclosure in the Fund’s offering and/or governing documents and/or this brochure.

SIDE-BY-SIDE MANAGEMENT

We currently do not manage accounts for which we are entitled to receive performance-based fees or allocations alongside accounts for which we are not entitled to receive any performance-based fees or allocations.

Item 7: Types of Clients

DESCRIPTION

We currently provide investment advisory, management and other services to our affiliated private investment Fund. The Fund has various types of investors, including, but not limited to, trusts, family offices, natural persons, funds of funds, individual retirement accounts and other entities. We may from time to time provide investment advisory and other services to other clients in the future, including separately managed accounts and/or one or more other pooled investment vehicles.

ACCOUNT REQUIREMENTS

The minimum initial capital contribution generally required from an investor in the Fund is \$1,000,000, although capital contributions of lesser amounts may be accepted at our discretion.

Each investor in the Fund generally must be, among other things (i) an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and (ii) a “qualified client,” as such term is defined in Rule 205-3 under the Advisers Act. In addition, each prospective investor generally is required to complete and return various subscription documents to the Fund, which are designed to provide the Fund, us and our affiliates and agents with important information about the prospective investor. Subscriptions may be accepted or rejected, in whole or in part, in the sole discretion of the General Partner.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Fund's investment objective is to achieve risk adjusted returns that are both absolute and superior relative to market and peer averages over the long term. Sabrepoint intends to achieve the Fund's investment objective by using a predominantly bottom-up research process to identify inefficiently priced securities with specific idiosyncratic risk which Sabrepoint believes will cause the security to be efficiently priced over time. Sabrepoint seeks to identify strategic advantages with respect to each investment made by the Fund. The strategic advantages Sabrepoint focusses on are informational, analytical or structural in nature. With respect to core positions, Sabrepoint will conduct significant fundamental research often including interviews with company management, competitors, customers, vendors and other industry participants. Sabrepoint will also review publicly available documents and periodicals associated with each position in the Fund.

The Fund, on occasion, may trade, buy, sell, sell short and otherwise acquire, hold, dispose of, and deal in, directly or indirectly, on margin or otherwise: (i) U.S. and non-U.S. equity and equity-related securities (publicly-traded and privately offered, listed and unlisted), including, but not limited to, convertible debt securities, preferred stocks and their related common stocks, "new issues," U.S. Treasury securities and indices, (ii) U.S. and non-U.S. bonds and other fixed income securities and debt obligations, government securities, mortgage-backed securities, bank debts, money market obligations, distressed equity, high yield securities, (iii) derivatives instruments such as, without limitation, options, warrants and forward contracts, and (iv) such other instruments, rights, and interests as determined by Sabrepoint, as applicable. The Fund may maintain assets in cash, short-term securities, money market instruments and such other similar instruments to meet the expense needs of the Fund and/or to meet redemptions or for such other reasons as may be determined by Sabrepoint. The foregoing outline of the Fund's investment strategy represents Sabrepoint's present intentions in view of current market conditions and other factors. Sabrepoint may vary the foregoing investment objectives and guidelines to the extent it determines that doing so will be in the best interest of the Fund. There is no assurance that the Fund's investment objectives will be achieved, and results may vary substantially over time. Any investment strategy pursued for the Fund is in the absolute and sole discretion of Sabrepoint.

Sabrepoint sizes positions based on its assessment of the probability of a favorable outcome and the severity of an unfavorable outcome. Sabrepoint will make positions large if the investment team believes there is a high likelihood of a favorable outcome and an unfavorable outcome will not result in a significant loss.

The Fund uses certain risk parameters in order to reduce the risk of significant loss. The portfolio is limited to a maximum gross exposure of 165% (calculated by adding total gross long and total gross short exposure). The Fund's gross ranges between 80% and 165%. The Fund will typically have 15 to 30 long positions with sizes ranging from 1-15% and 60 to 110 short positions with sizes ranging from .05% to 6%. The total net exposure of the Fund can range from 0 to 65% with an expected average of approximately 35%.

The investment strategies summarized above are not intended to be comprehensive. For a more detailed description of the investment strategies of the Fund, please review the offering documents of the Fund. The foregoing summary is qualified in its entirety by the information contained in the Fund's offering and governing documents.

CERTAIN RISK FACTORS

There can be no assurance that the Fund will achieve its investment objectives or that investments will be successful. The Fund's investment strategies will involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Fund will be low risk or risk free. The investment strategies and programs of the Fund are appropriate only for sophisticated persons who fully understand and will be capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the Fund. Investors are urged to consult with their own independent financial, legal and tax advisors. The following risks are qualified in their entirety by the risks set forth in the Fund's offering documents.

Investment Judgment; Market Risk. The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Sabrepoint will be able to predict accurately these price movements. With

respect to the investment strategy utilized by the Fund, there is always some, and occasionally a significant, degree of market risk.

Illiquidity. The investments made by the Fund may be very illiquid, and consequently the Fund may not be able to sell such investments at prices that reflect the General Partner's assessment of their value or the amount paid for such investments by the Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the Fund and other factors. Furthermore, the nature of the Fund's investments may require a long holding period prior to profitability. The Fund's partnership agreement authorizes the General Partner to make distributions in kind of securities in lieu of or in addition to cash. In the event the General Partner makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer.

Short Sales. The Fund may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Fund that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Derivatives. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset.

However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom the Fund contracts for the purpose of making derivative investments (the "counterparty"). In the event of the counterparty's default, the Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Emerging Market Securities. The Fund may invest in securities of companies located in emerging market countries. The value of emerging market securities may be drastically affected by political developments in the country of the company's location. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Fund, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of withholding taxes on distributions.

Economic and Political Risks. A portion of the Fund's assets may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, epidemics and pandemics,

organized crime or other factors beyond Sabrepoint's control could have a material adverse effect on the performance of the Fund.

International Trade. The economies of many emerging markets are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Investment Controls. Restrictions or controls may at times limit or preclude foreign investment in certain emerging markets and increase the costs and expenses of the Fund. Certain emerging markets require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors. Certain emerging markets may also restrict investment opportunities in issuers in industries deemed important to national interests.

Investments in emerging markets may require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if a deterioration occurs in an emerging market's balance of payments, the country could impose temporary restrictions on foreign capital remittances. The Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restrictions on investments. Investing in emerging markets may require the Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Fund.

Leverage. Subject to applicable margin and other limitations, the Fund may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Fund's portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Fund and will affect the operating results of the Fund. Also, the Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

Options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Commodities and Futures. The Fund may trade on a limited basis in commodities and futures. Such trading activity is regulated by the Commodity Futures Trading Commission (the "CFTC"). Pursuant to an exemption from registration under CFTC regulations, neither the General Partner nor Sabrepoint is required to register, and is not registered, with the CFTC or the National Futures Association ("NFA") as a commodity pool operator (or as a commodity trading advisor). To comply with the exemption, the General Partner and Sabrepoint are subject to specific limitations on the amount of commodities and futures that they can trade on behalf of the Fund. Should the Fund's investments in commodities or futures instruments exceed the limits provided by the applicable exemption from registration, the General Partner and/or Sabrepoint will either have to register with the NFA or cease providing commodity interest trading advice to the Fund and liquidate the Fund's holdings of commodities and futures which could result in losses and additional costs to the Fund.

Emerging Market Inflation. Emerging market countries tend to have periods of high inflation and high interest rates, as well as substantial volatility in interest rates. The value of emerging market securities can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant security.

Turnover. The Fund may invest on the basis of short-term market considerations. The portfolio turnover rate of the Fund may be significant, potentially involving substantial brokerage commissions and fees.

Currency Risk. The Fund may invest its capital in securities that are custodied in different countries, the prices of which are determined with reference to currencies other than the U.S. dollar. The Fund values its securities in U.S. dollars and therefore may be affected by fluctuations in currency values.

Concentration of Holdings. Although Sabrepoint has adopted informal guidelines on diversification, those guidelines are subject to change by Sabrepoint, and there are no limits on Sabrepoint's investment discretion that require diversification by issuer, industry or market or that impose position size limitations. At any given time, it is therefore possible that Sabrepoint may select positions that are concentrated in a particular market or industry, or in a limited number or type of securities. Limited diversity could expose the Fund to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those positions.

Diversification. Since the Fund's portfolio will not necessarily be widely diversified, the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wide diversification among companies, securities and types of securities.

Valuations. From time to time, certain situations affecting the valuation of the Fund's investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Fund) could have an impact on the net asset value of the Fund, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Fund is not required to make retroactive adjustments to prior subscription or withdrawal transactions or management fees or performance allocations based on subsequent valuation data.

Non-Public Information. From time to time, Sabrepoint may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit Sabrepoint's flexibility to buy or sell portfolio securities issued by such companies. The Fund's investment flexibility may be constrained as a consequence of Sabrepoint's inability to use such information for investment purposes.

Broker Insolvency Risk. Transactions entered into by the Fund may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories, broker-dealers and prime brokers throughout the world. While U.S. rules and regulations applicable to these brokers may offer significant protections to the assets of their clients if one of them were to become insolvent, the assets of the Fund held at such broker could be at risk. For example, while brokers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients and not specifically in the name of the Fund. Additionally, the broker may be able to transfer client assets out of such client accounts in the ordinary course of its business. The Fund could experience losses if the clients' aggregate claims exceeded the amount of client assets such broker actually held at the time of the insolvency. In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), the Fund may be unable to trade the securities that were held by the insolvent broker during this transfer period.

The assets of the Fund also may be held by non-U.S. brokers. Although certain non-U.S. jurisdictions provide similar protections to client assets, there can be no assurance that the Fund will not experience losses in any insolvency of such a non-U.S. broker. The Fund will attempt to execute, clear and settle transactions through entities that Sabrepoint believes to be sound, but there can be no assurance that a failure by any such entity will not lead to a loss to the Fund. In addition, the SEC, other regulators, self-regulatory organizations and exchanges in the United States and other countries are authorized to take extraordinary actions in the event of market emergencies. Such actions could lead to a Fund loss as a result of delay in settling transactions or other circumstances.

Counterparty Risk. The Fund is subject to the risk that counterparties of derivative contracts and other instruments in which it invests and trades may default on their obligations under those instruments and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. Some of the markets in which the Fund effects its transactions are over-the-counter or inter-dealer markets. The participants in such markets are typically not subject to credit evaluation by an exchange or clearing organization and regulatory oversight as are members of exchange-based markets. The Fund therefore is exposed to a greater risk that a counterparty will not timely settle a transaction or otherwise perform its obligations in accordance with contractual terms and conditions because of a dispute over the terms of the contract (whether or not bona fide), or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. These risks may differ materially from those entailed in exchange-traded

transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement of positions and segregation and minimum capital requirements applicable to intermediaries. Although the Fund intends to enter into transactions only with counterparties that Sabrepoint believes to be creditworthy, will attempt to reduce the Fund's exposure by obtaining collateral in appropriate cases and will pursue any available remedies under any of these contracts, there can be no assurance that a counterparty will not default and that the Fund will not sustain a loss on a transaction as a result. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Concentration of transactions with a limited number of counterparties could increase the potential for losses by the Fund. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

Recent Developments in the Financial Services Industry. Recent developments in the U.S. financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty for the financial services industry. In July of 2010, the Dodd-Frank Financial Reform Act was passed which imposes many new requirements and restrictions on the financial services industry that may likely affect the business, operations and performance of hedge funds, such as increased reporting requirements, limitations on certain trading activity and regulatory oversight by different agencies, such as the newly created Financial Stability Oversight Counsel. The implications of the passage of the Dodd-Frank Financial Reform Act for the hedge fund industry as a whole still remain somewhat unclear. The hedge fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad, and any future legal, regulatory or governmental action and developments in such financial markets and the broader U.S. economy could have an adverse effect on the Fund's business, operations and performance.

In view of the foregoing considerations, an investment in the Fund is suitable only for investors who are capable of bearing the relevant investment risks.

Cybersecurity. The Fund may experience cybersecurity and other breach incidents that may remain undetected for an extended period. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against the Fund, the Fund may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of security occurs, or if the Fund is unable to effectively resolve such breaches in a timely manner, the business of the Fund may be negatively impacted. If the Fund suffers a breach, confidential information of the Fund and investors may be inadvertently obtained by unauthorized persons. In addition, the Fund, our respective service providers and we depend on information technology systems and, notwithstanding the diligence that we may perform on such service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, the Fund and our respective service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The Fund, our service providers' and our information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although our affiliates and we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Fund and/or we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Fund's and our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Fund's and our reputations, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Fund or individual investors by interfering with affiliates' or our operations. The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Fund or us to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Fund may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Epidemics, Pandemics, and Public Health Issues. Our business activities as well as the activities of the Fund and its operations and investments could be materially adversely affected by the outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negative affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of the Fund and us. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), the Fund and we could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on our (or the Fund's) operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. PROSPECTIVE INVESTORS SHOULD READ THIS BROCHURE AND THE OFFERING AND GOVERNING DOCUMENTS OF THE FUND IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

Item 9: Disciplinary Information

Neither we nor any of our employees have been involved in any legal or disciplinary events related to past or present investment clients or investors.

Item 10: Other Financial Industry Activities and Affiliations

BROKER-DEALER, COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

Neither Sabrepoint, the General Partner nor any of their management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of the foregoing entities.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

Pursuant to Advisers Act Rule 204A-1, we have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is primarily designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on employees, and the Principal, relating to the purchase or sale of securities for accounts with respect to which they have beneficial ownership and the accounts of certain affiliated persons. Such individuals are required to disclose, and in certain instances seek pre-approval for, their personal securities transactions and personal securities holdings. We also maintain certain policies and procedures designed to prevent employees and the Principal from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons engage in outside business activities; make political contributions; or accept, provide, offer or give gifts or entertainment events. A copy of our code of ethics is available to investors and prospective investors upon request.

OTHER ACTIVITIES

Although generally prohibited by our code of ethics, Sabrepoint, the General Partner, the Principal and other employees and their respective affiliates may under limited circumstances purchase or sell for their own account financial instruments that are recommended to, or purchased or sold on behalf of, the Fund. Allowing such access persons to purchase these securities may motivate those persons to engage in “piggy backing,” which is the practice of conducting a personal securities transaction based on information they have received in the course of conducting a similar transaction on behalf of a client, or in the practice of “front running,” which is the practice of executing orders for an employee’s personal account while taking advantage of advance knowledge of pending orders from its clients. To prevent these practices, we generally prohibit trading in individual stocks in personal accounts and require pre-clearance of certain investments made by our employees and Principal and strictly prohibit “piggy backing” and “front running.” However, we generally do not provide disclosure to the Fund when employees or their respective affiliates purchase or sell for their own account financial instruments that are recommended to, or purchased or sold on behalf of, the Fund.

In addition, we and/or one or more of our affiliates may, directly or indirectly, organize, sponsor and/or manage other limited partnerships or other pooled investment vehicles (each, a “Subsequent Fund”). No such Subsequent Fund will be precluded from co-investing with the Fund.

We will devote such time to the Fund’s affairs as is consistent with achieving the Fund’s investment objectives. However, except as otherwise provided in the Fund’s operating and/or governing documents, we and any of our affiliates may engage in any activity permitted by applicable law.

TRANSACTIONS INVOLVING CONFLICTS OF INTEREST

We may cause the Fund to enter into transactions and arrangements involving actual or potential conflicts of interest. We will review any transactions involving material conflicts of interest and take such actions as we deem necessary or appropriate in an attempt to ensure that the terms of such transactions are fair and reasonable under the circumstances (including, without limitation, obtaining consent with respect to such transactions).

Item 12: Brokerage Practices

SELECTING BROKERAGE FIRMS

In general, we have authority to select the brokers and other counterparties to be used for Fund transactions and negotiate commission rates and other monies paid by the Fund. We select broker-dealers on the basis of obtaining the best execution for the Fund, which we evaluate based on a variety of factors, including, among other things: including the broker-dealer's research capabilities and the success of prior research recommendations (including private equity financings), ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker's risk in positioning a block of securities, commitment of capital, access to new issues, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rate, responsiveness to Sabrepoint and the value of research and brokerage and research products and services provided by such brokers. In addition, subject to Sabrepoint's obligation to seek best execution, Sabrepoint may consider referrals of investors in selecting brokers. See "Brokerage for Client Referrals" below. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

In addition to research services, Sabrepoint may be offered other non-monetary benefits by broker-dealers that it may engage to execute securities transactions on behalf of the Fund. These benefits may take the form of payment of all or a portion of Sabrepoint's costs and expenses of operation such as supplies, salaries, employee benefits, telephone, postage, transportation, travel, meals and entertainment, placement fees and other marketing costs, office equipment, news wire and data processing charges, legal and accounting fees, office rent and electricity, quotation services and periodical subscription fees and all other trading related expenses. The availability of these benefits may influence Sabrepoint to select one broker rather than another to perform services for the Fund. Nevertheless, the General Partner will attempt to assure either that the fees and costs for services provided to the Fund by brokers offering these benefits are not materially greater than they would be if the services were performed by equally capable brokers not offering such services or that the Fund also will benefit from the services.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders are placed with brokers or dealers which we believe to be responsible and provide effective execution of Fund orders under conditions most favorable to the Fund. The Fund generally invest and trade on a parallel basis with each other.

SOFT DOLLAR PRACTICES

We may use soft dollars generated by the Fund to pay for certain research and/or related services provided by brokers described above. The term "soft dollars" refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Using soft dollars to obtain investment research and/or related services creates a conflict of interest between the Fund and us. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of the Fund which paid the commissions and that may primarily or exclusively benefit us. If we are able to acquire these products and services without expending our own resources (including management fees paid by the Fund), our use of soft dollars would tend to increase our profitability. Furthermore, we may have an incentive to select or recommend brokers based on our interest in receiving research or other products or services, rather than on the Fund's interest in receiving most favorable execution. We may cause the Fund to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits. During the last fiscal year, we acquired research from brokers used to execute Fund transactions.

Section 28(e) of the Exchange Act provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We intend that any soft dollars we receive will fall within the parameters of Section 28(e) of the Exchange Act.

BROKERAGE FOR CLIENT REFERRALS

From time to time, third-party brokers may provide opportunities for us to be introduced to potential investors. Morgan Stanley and other prime brokers or their affiliates may provide capital introduction or other placement services to the Fund and Sabrepoint (with or without separate charges for such other services). Such “capital introduction” opportunities may influence our decision to use (or continue to use) the services of these brokers, rather than selecting brokers solely based on the Fund’s interest in receiving most favorable execution.

DIRECTED BROKERAGE

We do not recommend, request or require clients to direct us to execute transactions through a specified broker-dealer. We also do not permit clients to direct brokerage for order execution purposes.

ORDER AGGREGATION AND ALLOCATION OF INVESTMENT OPPORTUNITIES

As Sabrepoint currently only has one client, the Fund, transactions for the Fund are not aggregated with, or allocated among, those of any other client.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

We generally conduct reviews of the Fund and its investments on at least a monthly basis. The Principal is responsible for reviewing the Fund and its investments. With respect to accounting matters, we have engaged an independent public accounting firm to conduct annual audits of the Fund.

We invest the Fund's capital in securities and other financial instruments. In monitoring the performance of the investments, we perform various levels of review. Among other items, we consider short and long-term rates of return, investment diversification and risk allocations as part of our regular review.

ADDITIONAL REVIEWS

While we generally conduct reviews of the Fund and its investments on at least a monthly basis, we may conduct additional or more frequent reviews in the event of any withdrawal or capital contribution by an investor in the Fund, significant market or economic events or under various other circumstances.

REPORTS TO INVESTORS

We provide investors in the Fund with monthly account statements, quarterly investor letters, annual audited financial statements and certain U.S. income tax information. The Fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles. All such statements and reports are written. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors in the Fund that is not distributed to other investors in the Fund.

Item 14: Client Referrals and Other Compensation

THIRD PARTY COMPENSATION

Except as described in “**Item 12: Brokerage Practices**” above, we currently do not receive any economic benefit from any person (other than the Fund) for providing investment advisory services to the Fund.

REFERRALS

We currently do not compensate any third party for client or investor referrals.

Item 15: Custody

We have, or may be deemed to have, custody of the Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. In accordance with Rule 206(4)-2, the Fund's cash and securities (except for privately placed securities) are maintained with one or more qualified custodians. We may change the custodians at any time and from time to time without the consent of, or notice to, investors. We have engaged an independent public accounting firm, to conduct an annual audit of the Fund, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. The name of the independent public accounting firm currently engaged with respect to the Fund is set forth in Section 7.B. of Schedule D of Part 1 of our Form ADV. We endeavor to provide such statements to investors within 120 days after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Fund.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We have discretionary power and authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of the Fund. We have authority to determine the broker-dealer or other counterparty to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid by the Fund.

LIMITED POWER OF ATTORNEY

Each investor in the Fund generally grants us a limited power of attorney to enable us to execute the partnership agreement and to take certain other limited actions with respect to the Fund on its behalf. We also have authority to conduct authorized trading and perform other acts on behalf of the Fund.

Item 17: Voting Client Securities

We have the authority to vote proxies on behalf of the Fund. Accordingly, we have adopted proxy voting policies and procedures designed to further the best interests of the Fund. In general, our policy is to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Fund, as determined in our discretion. We may also elect to take no action with respect to a proxy if it is in the best interest of the Fund not to vote a proxy. Investors may not direct or otherwise influence our vote with respect to any particular proxy solicitation.

We will review proxy materials to identify potential conflicts of interest. A conflict of interest will be considered material to the extent that such conflict has the potential to influence our decision-making in voting a proxy. If a material conflict of interest is identified, we may abstain from voting or use other methods to resolve or otherwise mitigate such conflict, which may include engaging a third party to recommend a vote on the proxy based on our proxy voting guidelines or such other method as is deemed appropriate under the circumstances given the nature of the conflict. We will maintain a written record of the method used to resolve or otherwise mitigate any material conflict of interest.

Investors may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

Item 18: Financial Information

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, and we have not been the subject of any bankruptcy proceeding.

General Information

PRIVACY POLICY

We have adopted policies and procedures reasonably designed to protect various records and information of the Fund and investors. We will acquire and retain only personal information that is required for the effective operation of our business or that is required by law in the jurisdictions in which we operate. Access to such information will be restricted internally to those with a legitimate need to know. Except as set forth in the applicable offering and governing documents and as otherwise authorized by each investor, private information about investors in the Fund is only disclosed as permitted by applicable law to our affiliates and service providers, including our accountants, attorneys, brokers, custodians, transfer agents and any other parties whose services are necessary or convenient to the operation of the Fund. A description of Sabrepoint's privacy policy is provided to prospective investors in connection with their initial subscription for interests in the Fund.

TRADE ERRORS

We may on occasion experience errors with respect to trades executed on behalf of the Fund. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, the correct security is purchased or sold but for the wrong account, or the wrong quantity is purchased or sold (*e.g.*, 1,000 shares instead of 10,000 shares are traded). Trade errors may result in losses or gains. We will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counterparty, such as a broker, we will strive to recover any losses associated with such error from the counterparty. The applicable governing documents generally provide that the Fund will, to the fullest extent provided by law, bear any losses arising from trade errors (except for errors resulting from our gross negligence, willful misconduct or recklessness). To the extent that we determine that we are responsible for a trade error, we will seek to resolve the error in a fair and equitable manner, taking into consideration whether the error resulted from gross negligence on our part, the materiality of the error relative to the overall size of the affected Fund's portfolio, and any recent gains or losses due to our errors.