

FIRM BROCHURE
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Muddy Waters Capital LLC (“Muddy Waters”). If you have any questions about the contents of this Brochure, please contact us at (415) 429-8167 or sd@muddwaterscapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Muddy Waters is registered as an investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Muddy Waters also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Muddy Waters is required to identify and discuss any material changes made to its Brochure since its last annual update on March 26, 2019. Notably, as of March 23, 2020, Muddy Waters has updated its Brochure to add details regarding a new activist class of interests/shares for the Global Opportunities Funds as well as information regarding the offering of a co-investment opportunity (i.e., SPV II (as further discussed herein)).

ITEM 3 – TABLE OF CONTENTS

ITEM 2 – MATERIAL CHANGES.....	ii
ITEM 3 -TABLE OF CONTENTS.....	iii
ITEM 4 – ADVISORY BUSINESS.....	1
ITEM 5 – FEES AND COMPENSATION.....	3
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7 – TYPES OF CLIENTS	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
ITEM 9 – DISCIPLINARY INFORMATION.....	16
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	17
ITEM 11 – CODE OF ETHICS	18
ITEM 12 – BROKERAGE PRACTICES.....	20
ITEM 13 – REVIEW OF ACCOUNTS	22
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	23
ITEM 15 – CUSTODY.....	24
ITEM 16 – INVESTMENT DISCRETION.....	25
ITEM 17 – VOTING CLIENT SECURITIES	26
ITEM 18 – FINANCIAL INFORMATION	27

ITEM 4 – ADVISORY BUSINESS

Muddy Waters Capital LLC (“Muddy Waters” or the “Adviser”) is a Delaware limited liability company based in San Francisco, California that commenced operations in June 2015. Carson Block is the managing member and principal owner of Muddy Waters.

Muddy Waters provides discretionary investment management services to its advisory clients, which are private investment funds (each a “Fund” and collectively, the “Funds”) including:

- MLAF LP, a Delaware limited partnership;
- Muddy Waters Capital Global Opportunities Fund LP, a Delaware limited partnership (the “Onshore Feeder”);
- Muddy Waters Capital Global Opportunities Fund Ltd., a Cayman Islands exempted company (the “Offshore Feeder”);
- Muddy Waters Capital Global Opportunities Master Fund LP, a Cayman Islands exempted limited partnership (the “Master Fund”); and
- MWCGOF SPV II LP, a Delaware limited partnership (“SPV II”).

The Onshore Feeder and the Offshore Feeder invest substantially all of their assets in the Master Fund and are referred to herein collectively as the “Global Opportunities Funds.” SPV II is a special purpose vehicle that holds the securities of a single issuer.

MWCP LLC, a Delaware limited liability company and an affiliate of the Adviser, serves as the general partner of the Funds structured as limited partnerships (the “General Partner”). Carson Block is also the managing member and principal owner of the General Partner.

Each Fund is governed by a limited partnership agreement or articles of association (as applicable) that sets forth the specific guidelines and restrictions applicable to each Fund (the “Governing Documents”). In addition, investors in each Fund are provided with offering documents prior to their investment, which also contain information regarding the intended investment program for such Fund (together with the Governing Documents, the “Offering Documents”).

Muddy Waters seeks to achieve capital appreciation through an activist strategy by opportunistically investing globally across developed and emerging markets in securities and other instruments, including, but not limited to, equities, equity-related securities, bonds, credit default swaps (“CDS”), other fixed income investments and foreign exchange as well as options, futures contracts and other derivatives (including swaps) that reference these underlying financial instruments. Muddy Water’s focuses on both long and short activist single name securities. There are no limits imposed on the types of securities or other instruments in which the Funds may invest, the types of positions it may take, the concentration of its investments by sector, industry, country, company, class or otherwise, the amount of leverage it may employ or the number or nature of short positions it may take. In addition, Muddy Waters has, and may in the future offer co-investment opportunities alongside the Funds to third parties.

Investment advisory services are provided directly to the Funds and not individually to the Funds' investors. Muddy Waters has full discretionary authority with respect to investment decisions, and

its advice with respect to each Fund is tailored according to such Fund's investment objectives, guidelines, and requirements, as set forth in each Fund's Offering Documents.

Muddy Waters has entered (and may in the future enter) into agreements with investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in a Fund's Offering Documents. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a reduction or rebate in management fees or incentive allocations to be paid by the investors and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Muddy Waters, a Fund and an investor.

Muddy Waters does not participate in any wrap fee programs.

As of December 31, 2019, Muddy Waters manages approximately \$311,053,169 of regulatory assets on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Muddy Waters receives a management fee and is eligible to receive performance-based compensation in the form of an incentive fee or allocation in connection with its advisory services. **It is critical that investors refer to the relevant Offering Documents for a complete understanding of how Muddy Waters is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.**

Management Fee

MLAF LP will pay Muddy Waters a management fee equal to 1% per annum multiplied by an “Investment Capacity Amount” (as further described in the Fund Offering Documents). The management fee is payable quarterly in advance and is not adjusted for contributions and withdrawals made during a quarter.

The Global Opportunities Funds will pay Muddy Waters a management fee equal to 2.5% of the net asset value of each investor interests capital account or common shares (as applicable). The management fee is paid monthly in advance as of the first day each month, and is adjusted for subscriptions and redemptions made during the month. To the extent the management fee is paid by the Master Fund, no management fee will be paid by the Onshore Feeder or Offshore Feeder. It should be noted that the Global Opportunities Funds also offer an “activist” class of interests or shares that are not subject to a management fee.

SPV II does not charge a management fee.

Muddy Waters may, in its sole discretion, waive or modify the management fee for any investor.

Incentive Compensation

With respect to MLAF LP, Muddy Waters (or the General Partner), is entitled to receive an annual incentive fee equal to 22.5% of the net realized profits attributable to each investors capital account related to a realization event. As further described in the Fund Offering Documents, the incentive fee is subject to a holdback amount and a loss carryforward balance.

With respect to the Global Opportunities Funds, at the end of each fiscal year, Muddy Waters (or the General Partner), is entitled to receive an annual incentive allocation equal to 30% of the net profits attributable to each investors capital account or shares (as applicable) (including unrealized gains and losses), if any, in each case subject to a loss carryforward provision. In the event that an investor withdrawals from its capital account or redeems shares at any time other than at the end of a fiscal year, the payment of the incentive allocation will be made with respect to such withdrawn capital account or redeemed shares as though it were being made at the end of a fiscal year. It should be noted that the activist class of interests or shares are not subject to an incentive allocation or fee, as applicable.

With respect to SPV II, Muddy Waters (or the General Partner) will receive a 20% carried interest following the 100% return of each limited partner's respective capital contribution to the partnership.

Muddy Waters may, in its sole discretion, waive or modify incentive fee or allocation (as applicable) for any investor.

Addition Information and Expenses

With respect to terminating the advisory relationship, investors in MLAF LP may upon 10 business days' prior written notice, withdraw all or any portion of its capital account at any time; provided, however that upon any withdrawal (other than a withdrawal related to the retirement of the investor from the Fund), such investor must maintain an amount in its capital account balance as set forth in the Fund Offering Documents.

With respect to the Global Opportunities Funds, investors may upon at least 30 days' prior written notice redeem all or any portion of their shares or capital account as of the last business day of each calendar month occurring on or after the two-year anniversary of the applicable subscription date for such investment; provided, however that an investor may redeem a number of its shares or capital account balance with a value less than or equal to "appreciation amount" (as set forth in the Fund Offering Documents) as of the last business day of each calendar month upon at least 30 days' prior written notice. In addition, the activist class of interests or shares may upon at least 30 days' prior written notice redeem all or any portion of their shares or capital account as of the last business day of each calendar month.

An investor in SPV II may, upon at least 45 days' prior written notice to the partnership, withdraw all or any part of its capital account as of the last business day of the calendar quarter occurring on or after the 36-month anniversary of the limited partner's initial investment in SPV II and as of the last business day of each calendar quarter thereafter.

As set forth more fully in the Offering Documents of each Fund, each Fund bears all expenses relating to the Fund's activities, which generally include (without limitation): the management fee; Fund legal (including the costs of negotiating trade-related and account specific counterparty documentation and side letters), compliance (including costs related to Foreign Account Tax Compliance Act reporting), administrator, audit and accounting expenses (including third party accounting services); litigation defense expenses and other indemnification-related expenses for the Fund, the Advisor and General Partner and their affiliates, members, managers, officers, directors, employees, agents, contractors, consultants, private investigators, researchers or any other person that has a right to an indemnity under the Fund's Offering Documents, organizational expenses; investment expenses such as commissions; fees and expenses related to sourcing, evaluating, consummating, monitoring, managing and enforcing actual investments (including, but not limited to expenses relating to: shareholder and management communication, soliciting proxies, hiring proxy advisory consultants, hosting shareholder forums and hiring public relations consultants); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; any fees and related expenses related to derivative transactions (including any amounts paid as fixed or floating amounts to a dealer); Fund-related

insurance costs (including media liability insurance, cybersecurity insurance, D&O and E&O insurance for the Advisor and the General Partner and outside directorship liability); expenses of regulatory compliance, filings and reporting (including but not limited to Form PF, Section 13 and Section 16 filings); and any other expenses related to the purchase, sale, transmittal or preservation of Fund assets.

The Funds have engaged and may in the future engage researchers that are not affiliated with the Adviser who will provide in-depth research to Muddy Waters on a potential trade idea. Research-related expenses associated with each actual investment will generally be allocated among the Funds on a pro rata basis relative to their participation. In addition, the Funds may pay to unaffiliated researchers up to 20% of the net profits related to that trade idea. “Net profit” includes all profits and losses related to trading securities of the target issuer after the deduction of all related trading expenses, including but not limited to all financing-related costs (including stock loan fees, swap financing costs, pay-to-hold fees, and debit or credit interest, if readily identifiable), commissions and research expenses. In certain situations, legal fees (including litigation defense, settlements, awards and indemnification costs) may also be deducted from profits and losses when calculating “net profits.”

The Onshore Feeder and Offshore Feeder will each also bear its pro rata share of the Master Fund’s expenses.

Neither Muddy Waters nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, Muddy Waters and/or the General Partner is entitled to receive performance-based compensation from investors in the Funds. In addition, certain Funds may have different performance-based compensation arrangements than other Funds engaging in substantially similar investment strategies, including but not limited to higher fees or payments on unrealized (vs. realized) appreciation of Fund assets.

As a result, the potential exists for Muddy Waters to seek to favor one Fund over another Fund in allocating investment opportunities or otherwise. Furthermore, such performance-based compensation arrangements may create an incentive for Muddy Waters to make investments that are riskier or more speculative than would be the case if such an arrangement were not in effect, particularly in any period after losses have been suffered since losses from prior periods must be recovered before any performance fee is payable. In addition, with respect to the Global Opportunities Funds, since the allocation is calculated on a basis that includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

Muddy Waters recognizes that it is a fiduciary and as such must act in the best interests of its clients. Further, Muddy Water's recognizes that it must treat all clients fairly and must refrain from favoring one client's interests over another's. Muddy Waters has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Funds, including an allocation policy.

ITEM 7 – TYPES OF CLIENTS

Muddy Waters currently provides investment advisory services solely to pooled investment vehicles operating as private investment funds. Each investor in the Funds must meet certain eligibility provisions.

The offering of the Funds is designed to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Regulation D thereunder. In addition, each Fund is designed to rely on exemptions from registration as an investment company under the Investment Company Act of 1940, as amended (the “Company Act”) pursuant to either Section 3(c)(1) or Section 3(c)(7) of the Company Act.

Admission to the Funds is not open to the general public. Investors in MLAF LP, the Onshore Feeder and SPV II must generally be “accredited investors” under Regulation D of the Securities Act and “qualified purchasers” as defined in the Company Act. Investors in the Offshore Feeder are typically either (i) non U.S. Persons; or (ii) U.S. persons who are exempt from federal income tax and also qualify as both “accredited investors” under Regulation D of the Securities Act and “qualified purchasers” as defined in the Company Act. Fund investors may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans.

The minimum initial investment amount for MLAF LP is \$100,000,000 and the minimum investment amount for the Global Opportunities Fund is \$10,000,000. Muddy Waters may, in its sole discretion, may waive, reduce, increase, or alter these minimum amounts. The minimum initial capital contribution for SPV II is \$50,000.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Method of Analysis and Investment Strategy

Muddy Water's investment objective is to achieve capital appreciation through an activist strategy by opportunistically investing globally across developed and emerging markets in securities and other instruments, including, but not limited to, equities, equity-related securities, bonds, CDS, other fixed income investments and foreign exchange as well as options, futures contracts and other derivatives (including swaps) that reference these underlying financial instruments. The Funds focus on both long and short activist single name securities with Muddy Waters (or its affiliates) possibly communicating the Muddy Water's investment theses to third parties, including to the general public.

There are no limits imposed on the types of securities or other instruments in which the Funds may invest, the types of positions they may take, the concentration of their investments by sector, industry, country, company, class or otherwise, the amount of leverage it may employ or the number or nature of short positions they may take.

With respect to shares admitted to trading, or traded, on a trading venue (as defined in Article 4(1)(24) of the re-cast European Markets in Financial Instruments Directive (Directive 2014/65/EU), Muddy Waters may delegate trading authority to a third party delegate, who will determine the timing and price of execution. In such instances, Muddy Waters will still determine the maximum overall position size, the issuer and the issuer's securities that will be purchased, sold or sold short by that third party but the third party will have discretion to determine the size and timing of any trading within the overall parameters set by Muddy Waters.

It is critical that investors refer to the relevant private offering memorandum and other Offering Documents for a complete understanding of Muddy Water's investment strategies and methods of analysis. The information contained in this Item 8 is a summary only and is qualified in its entirety by such documents.

Material Risks

Please note that an investment in the Funds is deemed highly speculative and is not intended as a complete investment program. Investing in the securities markets in general and in the Funds advised by Muddy Waters in particular involves significant risk. Investments in the Funds are designed only for experienced and sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity. **Investors should ultimately refer to their Fund's respective Offering Documents for detailed risk disclosures that specifically address the risks of each Fund's investment strategies, methods of analysis, and/or particular types of securities recommended.**

Nature of Investments. Muddy Waters has broad discretion in making investments for the Fund. Investments will generally consist of foreign and domestic equities, equity-related securities, foreign and domestic bonds, CDS, other fixed income investments and foreign exchange as well

as options, futures contracts and other derivatives (including swaps) that reference these underlying financial instruments. These financial instruments may be affected by business, financial market or legal uncertainties. There can be no assurance that Muddy Waters will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the Funds' portfolio may fluctuate with changes in monetary policy (in the U.S. and abroad) and as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objective will be achieved.

Equity-Related Instruments in General. Muddy Waters intends to make long and short equity-related investments that may employ a research-based, short biased investment approach that may be accompanied by public announcement from Muddy Waters. The Funds, at the direction of Muddy Waters, will take short term, very highly concentrated positions (with the size of single positions possibly well in excess of the Funds' capital) in certain equity and equity-related instruments (such as options or swaps on certain single name equities). These positions are subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk (including legal action by companies about whom Muddy Waters or its affiliates speaks publicly), and operations risk. In addition, the Funds' positions may employ a significant amount of economic leverage and may, in some cases, involve significant risks of loss.

Short Sales. Muddy Waters may employ, at times, a researched-based, short biased investment approach that may be accompanied by public announcement of Muddy Water's research and/or activist positions. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Funds' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

There are also no assurances that the Funds will be able to exit a short position. Historically, in certain periods of market stress, regulators have invoked prohibitions on short sales. Other investors or regulators can cause "short squeezes" that potentially would force the Funds to cover a short position at a loss. Issuers or regulators might indefinitely halt trading in securities in which a Fund is short, potentially depriving the Fund of an opportunity to exit while causing it to continue to pay borrow fees on the shorted securities. These types of intervention may negatively impact the performance of a Fund.

Additionally, the Funds will enter into short positions based on research publicly disseminated by Muddy Waters, one of its affiliates or other third party researchers. Issuers or other investment managers of other private funds may take opposing positions that are adverse to the Funds' interests, and if these other parties prevail in their views, the performance of the Fund may be adversely affected.

Furthermore, in certain jurisdictions, investors are required to publicly disclose their short positions. The public disclosure of these short positions may have a negative effect on the performance of the Funds and/or limit the opportunities available to the Funds.

Activist Strategy / Indemnification Obligations. Muddy Water's investment strategy can involve an aggressive activism that could influence the market's perception or the actions of target companies. There exists the risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased (or sold short) in anticipation of the future direction of a company, a substantial period of time may elapse between the Funds' purchase of the securities and the anticipated results. During this period, a portion of the Funds' capital would be committed to the securities purchased (or sold short), and the Funds typically might finance some portion of such purchases with borrowed money on which it must pay interest (or if short, may be paying a cost of borrow). Additionally, if the anticipated results do not in fact occur, the Funds may be required to sell its investment at a loss. Moreover, there may be instances where the Funds will be restricted from transacting in or exiting a particular investment as a result of its activist investment strategy. Because there is substantial uncertainty concerning the outcome of transactions involving the target companies in which the Funds may invest, there exists a potential risk of loss by the Funds of its entire investment in such companies.

When taking short activist positions, the Funds may accumulate a short position in the equity or debt of a specific issuer (including entering into derivatives that reference the equity, debt or credit of an issuer), and following the accumulation of the position, Muddy Waters or one of its affiliates may publish research or make a public announcement of its research findings, which could be perceived by investors as reasons to reevaluate the target issuer, possibly in ways that result in a generally negative change in sentiment toward the issuer. These public announcements may disclose findings of, among other things, questionable accounting, fraud or suspect business practices. Target issuers can be expected to vigorously defend their practices, including by taking legal action, and the Funds may incur high expenses defending any legal claims, including claims against the General Partner and Muddy Waters who are indemnified by the Funds for losses or liabilities resulting from investment decisions or activities on behalf of the Funds. These expenses may negatively impact the Funds' performance. Additionally, this strategy may not be successful and an investor may lose some or all of its investment.

Muddy Waters may also attempt to build strong relationships with company management. In certain cases, the Funds' attempts to influence a company's management or board of directors may result in an affiliate of the Fund taking a seat on the company's board of directors. In such a case, there exists the risk that the Funds will be restricted in transacting in or redeeming its investment in that company as a result of, among other things, legal restrictions on transactions by company directors or affiliates. Because there is substantial uncertainty concerning the outcome of transactions involving the target companies in which the Funds may invest, there exists a potential risk of loss by the Funds of its entire investment in such companies.

When taking an activist position on behalf of the Funds, Muddy Waters might not hedge its "beta" (i.e., the risk related to the overall market or the particular sector related to that activist position). Therefore, the Funds might be exposed to the overall direction of the market or sector (including, but not limited to any implicit currency exposure related to a specific activist position).

There exists a potential risk of loss by the investors of their entire investment in the Funds. As a result of the Funds' investment strategy and the possibility that the Funds may participate in contentious activist short selling or similar activities, it is possible that the Funds may become involved in litigation (as either plaintiff or defendant), or may have litigation expenses and liabilities as a result of its indemnification obligations of the General Partner and Muddy Waters under the Offering Documents. Litigation entails expense and the possibility of claims or counterclaims against the Fund, or against the General Partner and/or Muddy Waters, or their representatives, for which they are indemnified by the Funds, and ultimately judgments may be rendered against the Fund, the General Partner, Muddy Waters, or their representatives, including judgments by a target company for more than the investment in such company and for which the Funds may not carry insurance. Under the Offering Documents, the Fund indemnifies Muddy Waters and its affiliates, members, managers, officers, directors, employees, agents, contractors, consultants, private investigators, researchers, any other person that assists in research or activist campaigns related to a position that the Funds takes and affiliates against any and all loss, liability and expense incurred or suffered in connection with the good faith performance by such person of his, her or its responsibilities to the Funds.

Event Driven Strategy Risk. There are significant business risks associated with event driven investing. Because of the inherently speculative nature of this activity, the results may fluctuate from period to period, and, as part of the Funds' investment strategy, are not expected to correlate with the direction of the equity markets. Accordingly, the results of a particular period will not necessarily be indicative of results which may be expected in future periods. The significant business risks associated with event driven strategies include, but are not limited to, the items discussed below.

The Funds may invest (long and short) in a company in anticipation of an event that may occur in the future, including the possible success of an activist campaign. The reliance on these events is inherently speculative, and the movement of any financial instrument is also subject to market, financial and monetary forces that affect prices. Additionally, any profit may be offset by carrying costs (e.g., the cost of a stock borrow) or expenses (e.g. litigation).

The Funds may seek to capitalize on these events through the use of derivatives, including options. While options can provide an effective way to execute an investment strategy, the price of an option is a function of the time to expiry. If the event does not affect price in the time frame expected, the price of the option will decay in time and the Funds could lose money in respect of that investment. Investments based on an event driven strategy are speculative and bear a high risk of loss.

Futures Contracts. The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Funds' return or not cause a Fund to sustain large losses. While the use of these instruments by the Funds may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Funds could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the

Funds will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Funds' investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Funds may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Funds to substantial losses.

Options. The Funds intends to use an active options strategy, where it will buy puts and/or sell calls on certain securities it wants to take a short position in, and it will buy calls and/or sell puts on certain securities it wants to take a long position in. The Funds may sell calls to express a short view on a particular security. The selling of calls or puts may result in losses that are substantially in excess of any premium received by the Funds and entail large amounts of speculative risks.

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Debt Securities. The Funds may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Funds may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Funds may invest in securities which are moral obligations of issuers or subject to appropriations. The Funds will therefore be subject to credit and liquidity risks. The Funds may also sell short debt securities. When selling short a debt security, the Funds will be responsible for making the interest payments on securities that it shorted.

U.S. Government Securities. The Funds may invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. The Funds may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more

volatile than the market prices of securities that pay interest periodically. In certain cases, the Funds may short U.S. government securities.

Derivatives. To the extent that the Funds invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Funds may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Funds, and hence the Funds should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Credit Default Swaps. The "buyer" of a credit default swap ("CDS") is obligated to pay the "seller" a periodic stream of payments over the term of the CDS in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay or obligation acceleration. If a credit event occurs, the seller typically must make a contingent payment to the buyer, which is typically the notional amount of the CDS minus the final price of the reference obligation multiplied by the notional amount of such CDS, where the "final price" is equal to the auction price of the "cheapest to deliver" reference obligation. The contingent payment may be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. For cleared CDS, this "final price" of the reference obligation is generally determined by a committee consisting of dealers and certain large asset managers, who determine the price based on auction protocol usually run by the International Swaps and Derivatives Association, Inc. ("ISDA"). In certain cases, the auction run by ISDA has resulted in final prices that were close to par and buyers of protection did not receive the prices that were aligned with the cash market for such underlying credit.

The Funds may be either the buyer or seller in the transaction. If the Funds are a buyer and no credit event occurs, the Funds may make fixed payments for a period of time and recover nothing, or it may make fixed payments for a period of time and the Funds may exit its position at a loss. Additionally, if a credit event occurs, the buyer may not receive an amount that is representative of the cash markets. As a seller, the Funds receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional amount of the CDS.

CDS involve greater risks than if the Funds had invested in the reference obligation directly. CDS is a derivative linked to the credit of a specific reference entity, and it does not necessarily reference the value of a particular bond in the market. In addition to general market risks, CDS are subject to liquidity risk and credit risk of the dealer (or in the case of cleared CDS, the credit risk of the clearing house).

Use of Leverage. The Funds may utilize leverage. This could result in a Fund controlling substantially more assets than the Fund has equity, possibly concentrated in a single investment. Leverage increases the Funds' returns if a Fund earns a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, Muddy Waters may find it difficult or impossible to obtain leverage for the Funds. In such event, a Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Muddy Waters being forced to unwind the Funds' positions quickly and at prices below what Muddy Waters deems to be fair value for such positions.

Hedging Transactions. The Funds may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, futures and forward contracts for both risk management and general investment and speculation purposes. With respect to the Funds' risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Funds than if it did not engage in any such hedging transactions. In addition, the Funds may choose not to enter into hedging transactions with respect to some or all of its positions.

Portfolio Turnover. The investment strategy of the Funds may require the Investment Manager to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size. The Investment Manager expects notional portfolio turnover to exceed 300% a year. High portfolio turnover will result in higher expenses, which will impact the Fund's performance.

Cybersecurity. Muddy Waters, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and investors, despite the efforts of Muddy Waters and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Muddy Waters, the Funds' service providers, counterparties or data within these systems. Third parties may also fraudulently attempt

to induce employees, customers, third-party service providers or other users of Muddy Waters' systems to disclose sensitive information in order to gain access to Muddy Waters' data or that of the Funds' investors. A successful penetration or circumvention of the security of Muddy Waters' systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, Muddy Waters, or service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Investors and prospective investors are provided offering materials that contain a detailed description of certain material risks related to the investment. Investors and prospective investors are advised to review all risk factors set forth in the offering materials and Governing Documents carefully.

ITEM 9 – DISCIPLINARY INFORMATION

On December 20, 2017, Carson Block (the “Defendant”) became aware that Dupre Analytics was named as a defendant in a civil action filed by Perfectus Aluminum, Inc. (the “Plaintiff”) in the San Bernardino County Superior Court. The complaint alleges that two reports published by Dupre Analytics (a pseudonym of Muddy Waters, LLC) in 2015 falsely accused the Plaintiff of having aluminum that was obtained fraudulently, and asserts claims for trade libel, tortious interference with prospective economic advantage, and violation of California’s Unfair Competition Law. The Defendant intends to vigorously defend these allegations. Mr. Block was the Director of Research and the sole member of Muddy Waters, LLC from 2010 to 2015. This civil action preceded the founding of Muddy Waters.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Muddy Waters nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Each of Muddy Waters and the General Partner (as applicable) have claimed an exemption with respect to each applicable Fund from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered commodity pool operators pursuant to Rule 4.13(a)(3) under the Commodity Exchange Act.

Muddy Waters and the General Partner serve as the investment manager and general partner (respectively) to the Funds. Muddy Waters, its employees, affiliates or their related persons may also invest directly in some or all of the Funds.

Carson Block is the founder and principal owner of Muddy Waters Research, an online research publication that produces due diligence-based reports on publicly traded securities. The research reports are freely available.

Further, Muddy Waters and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will neither be subject to an offset against any Management Fees payable to the Funds nor will otherwise be shared with the Funds or investors. For example, airline travel or hotel stays incurred typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Muddy Waters and/or such personnel (and not the Funds or investors) even if the cost of the underlying service is borne by the Funds or investors.

ITEM 11 – CODE OF ETHICS

Muddy Waters has adopted a Code of Ethics (the “Code”), which is a part of Muddy Water’s compliance manual. The Code is designed to comply with Rule 204A-1 of the Advisers Act and applies to Muddy Water’s “Access Persons.” Access Persons include, generally, any partner, officer or director of Muddy Waters and any employee or other supervised person of Muddy Waters who, in relation to the Funds, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All of Muddy Waters’ employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Muddy Water’s status as a fiduciary and requires Access Persons to place the interests of the Funds above their own interests. The Code is designed to: (i) prevent improper personal trading by Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by Muddy Waters or securities holdings of the Funds; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Funds.

The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to bring violations of the Code to the attention of Muddy Water’s Chief Compliance Officer promptly. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. As a general rule, Access Persons are prohibited from transacting in any securities currently held in the portfolio of a Fund and from taking long or short positions in any single name issuers. In addition, the Code requires Access Persons to obtain prior approval from the Chief Compliance Officer before selling any legacy long positions or the covering of any legacy short positions in single name issuers, purchasing IPOs, or entering into transactions in private placements in a personal account. The Code also contains a holding period for all transactions. In addition, under the Code, Muddy Waters maintains a “restricted list” of companies about which a determination has been made that it is prudent to restrict trading activity (*e.g.*, companies about which investment personnel may have acquired material, non-public information).

Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1 under the Advisers Act.

Investors or prospective investors may obtain a copy of the Code of Ethics by contacting the Chief Compliance Officer at (415) 429-8167 or sd@muddywaterscapital.com.

As noted in Item 10 above, Muddy Waters and the General Partner serves as the investment manager and general partner to the Funds. Muddy Waters and its employees (or their related

persons) may also invest directly in some or all of the Funds. However, as described above, Muddy Water's Code includes procedures for, and restrictions on, employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by Fund transactions.

From time to time, Access Persons or other related persons of Muddy Waters may have an interest or position in certain securities that may also be recommended to an Advisory Client. However, all personal securities transactions are subject to compliance with the Code, as described above (including a prohibition against transacting in securities that a Fund current holds).

ITEM 12 – BROKERAGE PRACTICES

When performing investment management services for the Funds, Muddy Waters has full discretion to place buy and sell orders with or through such brokers or dealers as it may deem appropriate. It is the policy and practice of Muddy Waters to strive for the best price and execution that are competitive in relation to the value of the transaction (“best execution”). In seeking best execution, Muddy Waters may consider the full range of a broker's services, including the value of research provided and execution capability, commission rate, financial responsibility and responsiveness. Specifically, in selecting a broker, dealer or other intermediary, Muddy Waters will consider such factors that in good faith and judgment it deems reasonable under the circumstances, including, but not limited to: financial stability of the broker; the actual executed price of the security and the broker's commission rates; research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; the operational facilities of the brokers and/or dealers involved (including back office efficiency); and the ability to handle a block order for securities and distribution capabilities.

Muddy Waters does not currently have any formal soft dollar arrangements in place, but reserves the right to enter into such arrangements in the future. Any soft dollars generated under a formal soft dollar arrangement with respect to equity transactions and utilized by the Fund would fall within the safe harbor provided by Section 28(e).

In selecting brokers and negotiating commission rates, Muddy Waters will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. Muddy Waters may place transactions with a broker or dealer that (i) provides Muddy Waters (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by Muddy Waters (or an affiliate), if otherwise consistent with seeking best execution; provided Muddy Waters is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. Similarly, Muddy Waters may elect to work with an unaffiliated researcher that is not necessarily the most prominent with respect to a particular issuer or industry, or that is not as well known, if the firm believes that such selection will generate other benefits for a Fund and is in a Fund's overall best interest.

Muddy Waters does not permit or require clients to direct brokerage. Muddy Waters has complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay.

Muddy Waters is not required to allocate either a stated dollar or stated percentage of transactions to any broker-dealer for any minimum time period, and will review counterparty relationships periodically. As outlined above, Muddy Waters recognizes its duty to seek “best execution” in effecting transactions on behalf of the Funds.

In addition, Muddy Waters has established allocation and aggregation procedures for the allocation of investment opportunities across the Funds. The allocation and aggregation procedures are designed to ensure that each Fund is treated fairly and that transactions are allocated in a manner that is fair and equitable to each Fund relative to the other Funds, taking into account all relevant facts and circumstances. Muddy Waters will always take into account each Fund's investment objectives and investment allocation policy in the allocation process. In general, if an investment is appropriate for multiple Funds, such investment will be allocated on a pro rata basis. However, in making allocation decisions, Muddy Waters may take into consideration factors including (but not limited to): investment objective and strategies; risk profile; tax status; restrictions placed on a client's portfolio by the client or by virtue of federal or state law; size of client account; total portfolio invested position; nature and liquidity of the security to be allocated; size of available position; supply or demand for a security at a given price level; current market conditions; and timing of cash flows and account liquidity.

Further, if Muddy Waters has determined that an investment opportunity is appropriate for multiple Funds at or near the same time, it may, in its sole discretion, aggregate client orders for the purchase or sale of securities at or near the same time across all broker-dealers. Muddy Waters will generally follow the guidelines including: (i) unless otherwise permitted, no Fund will be favored over any other Fund; (ii) each Fund that participates in an aggregated order will participate at the average share price for all Fund transactions in that security on a given business day and transaction costs will be shared pro rata based on each Fund's participation in the aggregated order; and (iii) the aggregated order generally will be allocated among Funds in accordance with the aggregated order; subject to the exceptions (*e.g.*, partially filled orders, avoidance of odd lots or excessively small allocations).

Muddy Waters may also determine that the size of an available investment opportunity being considered by a Fund meaningfully exceeds the amount that is appropriate for such Fund (taking into consideration the relevant provisions of the applicable Fund governing documents). If so, Muddy Waters may form one or more co-investment vehicles specifically to take up such excess opportunity. In such cases, Muddy Waters may offer one or more persons (including, but not limited to, investors in the relevant Fund) the opportunity to participate in such co-investment vehicles. Muddy Waters will determine the person(s) to whom it offers any such opportunity, and the relative amounts offered to each such person, taking into account such factors as MWC determines appropriate based on the relevant facts and circumstances.

ITEM 13 – REVIEW OF ACCOUNTS

The Funds' portfolios are under ongoing review by Carson Block, Muddy Water's Chief Investment Officer. Mr. Block and the firm's investment team review the portfolios on an ongoing basis to assure conformity with the Funds' objectives and guidelines.

Further, Muddy Water's Chief Compliance Officer periodically reviews the firm's trading to ensure consistency with applicable laws and regulations.

On an annual basis, Fund investors receive a copy of the relevant Fund's annual audited financial statements within 120 days (on or before April 30) of the relevant Fund's fiscal year end (December 31). Investors in the Global Opportunities Funds and MLAF LP receive monthly account statements provided by the Fund administrator. SPV II investors receive quarterly account statements from the Fund administrator.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Neither Muddy Waters nor any related person directly or indirectly compensates any person for referrals of clients to Muddy Waters.

ITEM 15 – CUSTODY

Muddy Waters does not have physical custody of any client assets. All client assets are maintained with qualified custodians. However, Muddy Waters is be deemed to have custody of the assets of the Funds because it (or the General Partner) has legal ownership of, or access to, Fund funds or securities.

To comply with Rule 206(4)-2 under the Advisers Act, Muddy Waters will ensure that the Funds are subject to annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules and that the Funds' audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all investors within 120 days of the end of each fiscal year. The Funds are also subject to audit upon liquidation. In the event of a liquidation audit, the audited financial statements will be distributed to all investors promptly after the completion of such audit. Investors should carefully review all such audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Muddy Waters has discretionary authority to manage the investment activities of the Funds, as set forth in the Governing Documents of each Fund. Investment advisory services are provided directly to the Funds, and not to the Funds' investors individually. Investors in the Funds do not have the ability to impose limitations on Muddy Water's discretionary authority.

ITEM 17 – VOTING CLIENT SECURITIES

Muddy Waters has adopted Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how it will vote proxies, as applicable, for the Funds’ portfolio investments. The Proxy Policy seeks to ensure that Muddy Waters votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. In the event a conflict of interest is identified and deemed to be material, Muddy Waters will generally seek to mitigate the conflict by either appointing an independent third party to vote the proxy or disclosing the conflict to affected Investors.

In addition, the Proxy Policy sets forth certain specific proxy voting guidelines that Muddy Water will consider when voting proxies on behalf of a Fund. For example, Muddy Waters may consider factors such as whether the proposal acts to entrench existing management; whether the proposal poses a threat to existing rights of shareholders; and whether the proposal affects management or director accountability to shareholders.

If you would like a copy of Muddy Water’s complete Proxy Policy or information regarding how Muddy Waters votes please contact the Chief Compliance Officer at (415) 429-8167 or sd@muddywaterscapital.com.

ITEM 18 – FINANCIAL INFORMATION

Muddy Waters does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Further, Muddy Waters is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its advisory clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.