



ITEM 1
COVER PAGE

Part 2A of Form ADV: Firm Brochure

SADDLE POINT MANAGEMENT, L.P.

March 2020

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This brochure (the "Brochure") provides information about the qualifications and business practices of Saddle Point Management, L.P. If you have any questions about the contents of this Brochure, please contact us at 212-951-1223 or compliance@saddlept.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Saddle Point Management, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

Saddle Point Management, L.P. (the “Investment Manager”, “Saddle Point”, “we” or “us”, as the context requires) is required to identify and discuss any material changes made to its Brochure since the last annual update. There are no material changes to report. However, clients and prospective clients should review this Brochure carefully.

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ADVISORY BUSINESS

Saddle Point is a Delaware limited partnership that was formed on January 26, 2018. The Investment Manager currently has one office located in New York City, where its officers and employees are based.

Roy J. Katzovicz (the “Principal” or the “Chief Executive Officer”) serves as chief executive officer of Saddle Point and, as managing member of Saddle Point Management GP, LLC, the general partner of the Investment Manager, controls the Investment Manager. The general partner of the Investment Manager has ultimate responsibility for the management, operations and investment decisions made by the Investment Manager.

The Investment Manager currently provides investment management services to a private investment fund, Maxima Fund I, L.P. (the “Fund”), a Delaware limited partnership formed on July 31, 2018. Saddle Point GP, LLC (the “General Partner”), an affiliate of the Investment Manager that is also controlled by Mr. Katzovicz, serves as the general partner of the Fund.

Interests in the Fund are offered on a private placement basis, in compliance with the exemptions provided by Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the “Company Act”) to persons that are “accredited investors” as defined under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and “qualified purchasers” (or “knowledgeable employees”) as defined under the Company Act. The Investment Manager manages the Fund in accordance with the investment objectives and strategies as set forth in the Fund’s Confidential Private Placement Memorandum (the “Offering Memorandum”) and does not tailor its services to any particular private investor in the Fund.

In addition to the investment management services it provides to the Fund, the Investment Manager has entered into research-for-hire arrangements with certain private funds whose advisers are exempt from registration pursuant to the “family office” exemption. The Investment Manager does not serve in any discretionary or advisory capacity with respect to such private funds (each, a “research client”).

In the future, Saddle Point may form additional private investment funds, serve as sub-adviser to third-party private investment funds, or act as an adviser to managed accounts (each such client, a “Future Client”), or enter into additional sale of research arrangements with third parties.

In this Brochure, the term “client” generally refers to the Fund and any Future Client that the Investment Manager manages or sub-advises on a discretionary basis. As noted above, we also have research clients and may enter into additional sale of research arrangements in the future. To the extent that any responses provided in this Brochure are relevant to the research clients, we will separately note this.

The Investment Manager does not participate in any wrap fee programs.

The Investment Manager managed approximately \$107,021,378 million on a discretionary basis as of December 31, 2019. As of the date of this filing, the Investment Manager does not manage any assets on a non-discretionary basis. Any compensation received in connection with the separate sale of research arrangements is not included in regulatory assets under management.

ITEM 5 FEES AND COMPENSATION

Fees and Compensation of the Fund

The Investment Manager's clients are all qualified purchasers, as such term is defined in Section 2(a)(51)(A) of the Company Act.

The fees and compensation applicable to the Fund are set forth in detail in the Offering Memorandum. A brief summary of the Fund's fees and compensation is set forth below (all of which is qualified by, and subject to, the language of the Offering Memorandum).

Management fee - The Fund will pay, in advance, a management fee to the Investment Manager on a monthly basis.

A *pro rata* portion of the management fee will be paid out of any capital contributions made by any investor on any date that does not fall on the first business day of a month. If an investor makes a withdrawal at any time other than at the end of a month, a *pro rata* portion of the management fee will be repaid to the Fund for the benefit of the withdrawing investor. The General Partner's capital account will not be debited with any management fee.

Incentive allocation – An incentive allocation will be allocated from each limited partner's capital account to the General Partner's capital account at the end of certain periods as set forth in the Offering Memorandum. The General Partner may be entitled to distributions in respect of certain taxes if and when assessed that will be withdrawn from a "provisional incentive allocation" as of a fiscal year end. The General Partner's capital account will not be subject to an incentive allocation.

Further, there are certain withdrawal fees payable in connection with earlier withdrawals as set forth in the Offering Memorandum.

In the sole discretion of the Investment Manager, the management fee and/or the incentive allocation may be waived, reduced or calculated differently with respect to any capital account held by any Fund investor, including, without limitation: (i) employees, former employees, partners or members of the Investment Manager or the General Partner (other than advisory committee members) and trusts or other charitable entities directed, supported, controlled by, or established primarily for the benefit of, the foregoing persons, and (ii) advisory committee members, other customary "friends and family" investors and trusts or other charitable entities directed, supported, controlled by, or established primarily for the benefit of, the foregoing persons and others who may hold interests in the Fund and who have provided or are expected to provide material business assistance to the Investment Manager, the General Partner or the Fund.

Fees and compensation paid to the Investment Manager or its affiliates by the Fund are generally deducted from the assets of the Funds.

Expenses of the Fund

In consideration of the Management Fee, the Investment Manager will provide office space and utilities; administrative services; and secretarial, clerical and other personnel to the Fund. The Investment Manager will bear the costs of providing these goods and services, and its own overhead costs and expenses, except to the extent the goods, services, costs and expenses are: (i) provided for through soft dollars generated by the Fund, or (ii) are Fund expenses as provided below.

The Fund will bear those operating and other expenses that the General Partner deems necessary or desirable in connection with the Fund's business, including, without limitation, accounting, auditing, entity-level taxes imposed on or with respect to the Fund (with or without regard to the status or attributes of the partners), and tax preparation fees and expenses, legal fees and expenses (including fees and expenses relating to regulatory and self-regulatory organization filings and compliance made in connection with the Fund's business and activities, investments and prospective investments including Form PF, Hart-Scott-Rodino, exchange filings, court filings and other similar

filings, including fees and expenses incurred as a result of failing to make the filings, and fees and expenses relating to regulatory or similar investigations, inquiries and “sweeps”), all insurance fees and expenses, indemnification and advancements thereof and other related expenses, professional fees and expenses (including fees and expenses of investment bankers, management consultants, appraisers, public relations firms, and other consultants and experts), investment-related fees and expenses whether incurred prior to or after the launch of the Fund (including (i) fees and expenses associated with investment research and due diligence, (ii) fees and expenses (including travel and lodging expenses) associated with investment-related campaigns such as fees and expenses related to event hosting and production, public presentations, creating and maintaining informational websites, public relations, paid advertising and other expenses related to media campaigns, forensic and other analyses and investigations, proxy contests, solicitations and tender offers, and compensation, indemnification and advancements thereof, and other reasonable travel and lodging expenses of any nominees proposed by the Investment Manager as directors or executives of portfolio companies, (iii) fees and expenses (including travel and lodging expenses) relating to unaffiliated advisers and consultants, (iv) printing and postage expenses, brokerage fees and commissions, fees and expenses relating to short sales (including dividend and stock borrowing expenses), clearing and settlement charges, custodial fees, bank service fees, margin and other interest expense and transaction fees, (v) fees and expenses (including indemnification expenses and advances thereof) incurred in connection with activities of prime brokers, executing brokers, over-the-counter counterparties and/or trading platforms, instrumentalities and/or agency arrangements provided by any third-party, co-investor or “group” member (as defined under the Securities Exchange Act of 1934, as amended), (vi) fees and expenses of the order management system as it relates to the Fund’s trading and analytics and/or (vii) fees and expenses relating to newswire, quotation equipment and services, market data services, third-party providers of research, publications, periodicals, subscriptions and database services, data processing and computer software expenses, due diligence, providers of specialized data and/or analysis related to companies, sectors or asset classes in which the Fund had made or intends to make an investment), initial offering and organizational expenses, filing and registration fees (e.g., “blue sky” and corporate filing fees and expenses), on-going offering and marketing expenses (including the offering and sale of interests in compliance with the marketing rules of other jurisdictions and fees and expenses related thereto), payments for custody of the Fund’s assets and administrative expenses (including fees and expenses of the administrator), the management fee, and other Fund expenses as approved by the General Partner.

Non-exclusive examples of expenses not explicitly listed in the above paragraph but for which the General Partner is entitled to treat as a Fund expense are: (i) fees and expenses (including fees and expenses of accountants and other advisers) of preparing, creating, printing, copying, and distributing financial statements, tax returns, financial information and reports to the limited partners and schedules K-1, (ii) with respect to the Fund’s indemnification obligations (and any advancements thereof), any fees and expenses related to any settlement, litigation, proceeding, arbitration, and investigation (collectively, “litigation”) and/or threatened litigation, with respect to both current and past investments, subject to any limitations set forth in the partnership agreement of the Fund, (iii) fees and expenses relating to representation by the “Partnership Representative” and the limited partners and fees and expenses incurred in connection with compliance with FATCA (or any similar reporting and/or withholding regimes in any jurisdiction), (iv) preparation and sending of any letters or other communications with respect to plans and proposals regarding the management, ownership, business and capital structure of the Company (as defined below) and compensation, indemnification and other expenses of nominees proposed by the Investment Manager (if any) as directors or executives of the Company, and related expenses (such as all costs incurred in connection with identifying and recruiting directors to serve on the board of the Company, if applicable, proxy solicitors, public relations experts and fees and expenses associated with “white papers”), (v) fees and expenses of pricing services, valuation firms, and financial modeling services, (vi) all fees and expenses relating to directors’ and officers’ liability insurance, errors and omissions insurance, and other similar policies in respect of the Fund and the Investment Manager, (vii) fees and expenses related to the maintenance of the Fund’s registered office and registered agent, (viii) fees and expenses in connection with the admission of new limited partners pursuant to the offering contemplated by the Offering Memorandum, including fees and expenses related to filings and registrations with local, state and other countries’ laws or regulations, the cost of updating the Offering Memorandum and other relevant documents, the negotiation of side letters and other related costs, (ix) wind-up and liquidation fees and expenses, and (x) other fees and expenses related to the Fund similar in type and nature to the fees and expenses described in (i) to (x) above.

It is impossible to anticipate all possible fees and expenses to be borne by the Fund and the list of fees and expenses described above is not exhaustive. Partners should expect that certain other fees and expenses will be borne by the Fund from time to time; provided that for the avoidance of doubt, the Fund shall only be required to bear expenses related to the operation of its business.

To the extent that expenses to be borne by the Fund are borne by the General Partner or the Investment Manager on behalf of the Fund, the Fund will reimburse the General Partner or the Investment Manager (as applicable) for these expenses.

The research clients have separately negotiated arrangements. Generally speaking, the research clients pay, in advance, a management fee to the Investment Manager on a monthly basis, and will also pay an incentive fee at the end of the specified term.

Other Fees and Compensation

Other than as set forth above, neither the Investment Manager nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

As noted above, in the future the Investment Manager may manage or sub-advise Future Clients or enter into additional sale of research arrangements with third parties. The Investment Manager may earn any type of compensation with respect to these clients and arrangements, including without limitation, asset-based fees, incentive fees/allocations and/or other types of fees (*e.g.*, withdrawal fees), and any of these fees and allocations may be payable/allocable in advance or in arrears. Generally, all fees and allocations will be deducted from client assets; however, certain clients may be billed separately. Further, any fees and allocations may be waived by the Investment Manager (or its affiliates) at its discretion.

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PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted above, the Investment Manager currently manages the Fund from which it receives management fees and incentive-based compensation, and has also entered into additional sale of research arrangements with the research clients from which it also receives compensation.

In the event that Saddle Point provides investment management services to additional clients in the future, certain conflicts of interest would arise. For example, certain client accounts may have different asset-based fees or more (or less) favorable incentive-based compensation arrangements than others. When Saddle Point and its affiliates manage more than one client account there is the potential for one client account to be favored over another, e.g., if Saddle Point and its affiliates have a greater economic incentive to favor client accounts that pay higher fees.

To the extent Saddle Point obtains additional clients in the future, its policy is to allocate investment opportunities on a fair and equitable basis over time and in a manner that is consistent with the investment objectives of each client account. As a general matter (subject to legal, regulatory, tax and other considerations), for any client investing side-by-side with other clients (as determined in the Investment Manager's sole discretion), the Investment Manager will allocate securities among the participating clients on a proportionate basis pursuant to policies that are intended to result in the clients generally holding similar securities or other financial instruments relative to their respective net asset values, and to the extent that orders are aggregated, the orders will generally be allocated at an average price where possible. The Investment Manager also has created a Conflicts Committee that is responsible for, among other things, discussing ways to address and mitigate conflicts of interest, which would include addressing conflicts that arise from side-by-side management of client accounts that have different fee arrangements, as necessary.

ITEM 7 TYPES OF CLIENTS

The Investment Manager provides advice to the Fund, which is a private investment fund, as described above. Investors in the Fund may include high net worth individuals, trusts, estates, family offices, private investment funds, pension funds, endowments, foundations and insurance companies. Investors in the Fund must meet certain eligibility requirements as set forth in the Offering Memorandum. The Fund generally requires a minimum investment amount of \$1,000,000; however, the Fund may accept lower subscription amounts as described in the Fund's offering documents.

The research clients are family offices.

As noted above, in the future the Investment Manager may manage or sub-advise Future Clients or enter into additional sale of research arrangements with third parties. Investors in any such Future Clients or any such third-party recipients of research may include high net worth individuals, trusts, estates, family offices, private investment funds, pension funds, endowments, foundations and insurance companies.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Although the description set forth in this Brochure primarily relates to the investment strategies pursued, and investments made, by the Investment Manager on behalf of the Fund, this should not be understood to limit in any way the Investment Manager's investment activities. The Investment Manager may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Manager considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Investment Manager pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

I. Fund

A. Methods of Analysis and Investment Strategies of the Fund.

The Fund seeks to create capital appreciation by gaining exposure, directly or indirectly, to securities issued by a particular company or any of its subsidiaries or affiliates (collectively, the "Company") and related derivatives and hedging instruments. The Fund may seek to effect change in the governance, strategy, business, finances, capitalization, operations and capital allocation of the Company. The identity of the Company may or may not be disclosed the Limited Partners.

The Investment Manager, on behalf of the Fund, is permitted to invest in any manner and type of security (or derivative thereof). Although the Investment Manager has no obligation to do so, it has the authority to make any investments for hedging purposes including, but not limited to, hedging of interest rate risk, counterparty risk, currency risk, credit risk, equity (including securities of the Company and derivatives thereto) and/or equity market risk.

In effecting the foregoing, the Investment Manager, on behalf of the Fund, may invest by creating long or short exposure in interests of any kind, including, without limitation, securities and other financial instruments, as well as other assets, whether traded on an organized exchange, through "pink sheets," over-the-counter, or otherwise, including capital stock; shares of beneficial interest; partnership interests and similar financial instruments; equity, debt, and all equity-related and debt-related derivative products, including, but not limited to, (i) forwards or futures contracts (and options thereon) relating to individual equities and/or stock indices, custom baskets and other financial instruments, (ii) swaps (including total return swaps whether settled in cash or otherwise), options, swaptions and warrants, and (iii) agreements relating to or securing these transactions; participations; mutual funds, exchange-traded funds and similar financial instruments, in each case, of any natural person, partnership, limited liability company, corporation, unincorporated association, joint venture, trust, state or any other entity or any governmental agency or political subdivision thereof, whether or not publicly traded or readily marketable. The Fund may also invest in cash equivalents, money market funds, U.S. Treasury securities and similar instruments.

The Fund will be a concentrated investor, principally in the equity of the Company. The Fund is not subject to any diversification or concentration limits (and currently expects to concentrate all or substantially all of its exposure in the Company), and is not subject to any limitations on position size, other than certain position limits that may be imposed by regulatory agencies that are generally applicable to market participants and expectations relating to the level of leverage described below.

Leverage

In certain circumstances, the Fund may borrow money for financing purposes. The General Partner will not cause the Fund to borrow funds in an amount in excess of 25% of the Fund's gross assets (i.e., total monies borrowed divided by gross assets), in the aggregate, measured at the time of each borrowing.

The Investment Manager, on behalf of the Fund, may also enter into one or more derivative securities including, without limitation, equity forwards and/or futures, purchasing and selling options including in various combinations (by way of example only, purchasing call options, selling put options) and, in each case, related securities for a portion,

and potentially a substantial portion, of its investment in the Company in order to add investment-specific non-recourse leverage to its investment in the Company (also known as synthetic leverage). These options or forwards may have strike prices more than 50% below the then trading price of the Company at the time of purchase. The Fund may also use other derivatives in order to obtain security specific non-recourse leverage, or for other reasons (consistent with the purpose of the Fund). Any synthetic leverage associated with entering into these securities will be included in the calculation of the 25% threshold discussed above. Synthetic leverage will be calculated, as of each date on which the Fund enters into a derivative security.

A more detailed description of the methods of analysis and investment strategies of the Fund is set forth in the Fund's Offering Memorandum.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies of the Fund.

The following list of risk factors with respect to investing in the Fund cannot and is not intended to be exhaustive. Additional risk factors can be found in the Offering Memorandum. Further, new risks not addressed below or in the Offering Memorandum may affect the Fund in the future. Prospective limited partners should consult their own legal, tax and financial advisers about the risks of an investment in the Fund. The following risk factors and other relevant risks could have a material and adverse effect on the Fund and the limited partners' investments.

Risks Relating to Private Investment Funds Generally

Regulatory Changes for Hedge Funds. The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material and adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or conduct business with brokers and other counterparties could have a material and adverse effect on the Fund and the investors' investments. These laws and regulations may also materially increase the costs of operating the Fund and the costs of executing and financing certain strategies utilized by the Fund, which costs are borne by the Fund. In addition, the Investment Manager may, in its sole discretion, cause the Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Fund's interest, even if these laws and regulations may have a detrimental effect on one or more Limited Partners, the liquidity of the Fund's investments and/or the fees and expenses borne by the Fund.

Dodd-Frank Act. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Additionally, under the Dodd-Frank Act, the SEC has mandated new recordkeeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of the Investment Manager, the Fund and increase the amount of time that the Investment Manager spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Fund may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers, and may change the way in which the Investment Manager conducts business with its brokers and other counterparties.

It is possible that these expanded reporting obligations will have an adverse impact upon derivatives trading. Exchange or other facility trading and trade reporting requirements, as well as clearing requirements, may reduce the liquidity of derivative transactions generally, leading to higher costs or the reduced availability of derivative instruments, which could adversely affect the trading activities and performance of market participants, such as the Investment Manager and the Fund. Even if certain new requirements are not directly applicable to the Fund or the Investment Manager, they may still increase the costs of entering into transactions with the parties to whom the requirements are directly applicable. From time to time, the U.S. Securities and Exchange Commission (the "SEC") has communicated the possibility that it may conduct a broad review of the beneficial ownership reporting regime under Exchange Act. Rule 13d-1 of the Exchange Act currently requires anyone acquiring beneficial ownership of more than 5 per cent. of the equity securities of any class registered under Section 12 of the Exchange Act to disclose

that beneficial ownership within ten days after the acquisition by filing a Schedule 13D (with certain exceptions applicable to investors who acquire securities without the purpose or effect of changing or influencing control). Pursuant to its authority under the Dodd-Frank Act, however, the SEC may consider, from time to time, whether to (among other things) (i) shorten this ten-day filing deadline, (ii) expand the definition of beneficial ownership to cover certain kinds of derivative instruments and (iii) alter the manner in which information is reported on Schedule 13D and Schedule 13G. Further, in February of 2013, the New York Stock Exchange, Inc. filed a rulemaking petition with the SEC seeking to shorten the reporting deadline for institutional investment managers under Rule 13f-1, from 45 days to two Business Days after the relevant calendar quarter. Although the SEC has not yet disclosed the fact, progress or result of its review, any of these changes could have a material and adverse effect on the Fund and the Limited Partner's investment.

Systemic Risk. Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts. A systemic failure could have material and adverse consequences on the Fund and on the markets for the securities in which the Fund seeks to invest.

Cyber Security Breaches and Identity Theft. With the increased use of technologies such as the Internet and the dependence on computer systems to perform business and operational functions, portfolios (such as the Fund) and their service providers may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Fund, the Investment Manager, the General Partner or a custodian, or other affiliated or third-party service provider may adversely affect the Fund or the Limited Partners. For instance, cyber-attacks may interfere with the processing of transactions, affect the Fund's ability to calculate net asset value, cause the release of private Limited Partner information or confidential Fund information, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks may render records of Fund assets and transactions, ownership of the Interests, and other data integral to the functioning of the Fund inaccessible or inaccurate or incomplete. The Fund may also incur substantial costs for cyber security risk management in order to prevent cyber incidents in the future. The Fund and the Limited Partners could be negatively impacted as a result. While the Investment Manager intends to establish business continuity plans and has systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, there are inherent limitations in these types of plans and systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. The Fund relies on third-party service providers for many of its day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Fund from cyber-attack.

Risks Relating to Management

Lack of Operating History. The Fund, the General Partner and the Investment Manager are each newly formed entities and have no operating history upon which prospective Limited Partners can evaluate their anticipated performance. The Principal has been using strategies similar to the strategies described here in the past. However, there can be no assurance that the Fund will achieve results comparable to those that the Principal has achieved in the past.

Dependence on the Investment Manager, the General Partner and Certain Personnel. The success of the Fund is dependent upon the ability of the Investment Manager to manage the Fund and effectively implement the Fund's investment program. The Fund's governing documents do not permit the Limited Partners to participate in the management and affairs of the Fund. If the Fund were to incur substantial losses or were subject to an unusually high level of withdrawals, the revenues of the Investment Manager may decline substantially. Any losses and/or withdrawals may impair the Investment Manager's ability to retain employees, provide the same level of service to the Fund and continue operations. The loss of the services of the Investment Manager or the General Partner or their key personnel could have a material and adverse effect on the Fund and the Limited Partners' investments.

Investment and Due Diligence Process. Before making investments for the Fund, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment, including the Fund's investment in the Company. When conducting due diligence, the Investment Manager may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, including the Fund's investment in the Company, the Investment Manager will rely on the resources reasonably available to it, which in some circumstances whether or not known to the Investment Manager at the time, may not be sufficient, accurate, complete or reliable. Any due diligence may not reveal or highlight matters that could have a material and adverse effect on the value of an investment that is made by the Fund.

Dependence on Service Providers. The Fund is dependent upon its counterparties and the service providers, including the General Partner, the Investment Manager and their respective affiliates, the administrator, legal counsel, auditor, prime brokers, custodians and other service providers utilized by the Fund and/or its affiliates from time to time (the "Service Providers"). Errors are inherent in the operations of any business, and although the Investment Manager will transact with counterparties and Service Providers they believe to be reliable, the counterparties and Service Providers may commit errors (or engage in misconduct) from time to time. These errors or misconduct could have a material and adverse effect on the Fund and the Limited Partners' investments.

As the Fund has no employees, the Fund is reliant on the performance of the Service Providers and, accordingly, any business interruptions or errors caused by Service Providers could have an adverse effect on the Fund. Each Limited Partner's relationship in respect of its Interests is with the Fund only. Accordingly, absent a direct contractual relationship between the Limited Partner and the relevant Service Provider, no Limited Partner will have any contractual claim against any Service Provider for any reason related to its services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, prima facie, the Fund.

Retention and Motivation of Key Employees. The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by the Investment Manager and the Investment Manager's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees.

There can be no assurance that the Investment Manager's investment professionals will continue to be associated with the Investment Manager throughout the life of the Fund, and the failure to attract or retain investment professionals could have a material and adverse effect on the Fund and the Limited Partners' investments. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Investment Manager's investment professionals could be replaced.

Execution Risks and Investment Manager Error. The execution of the trading and investment strategies employed by the Investment Manager for the Fund may require time-sensitive trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In each case, the Investment Manager seeks best execution and has a member of staff devoted to supervising the execution, settlement and clearing of trades. However, in light of the time pressures and complexity involved, some slippage, errors and miscommunications with brokers and counterparties are inevitable and may result in losses to the Fund. These losses may be caused by the Fund's brokers and counterparties or by the Investment Manager or by a combination of the broker or counterparty and the Investment Manager. The Investment Manager may, but is not required to, attempt to recover losses from brokers or counterparties.

Increased Regulatory Oversight. Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on the Investment Manager, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. These administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities. Regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Securities Law Compliance Risks. The domestic and foreign laws and regulations governing trading in the securities markets (and governing investing in other kinds of markets) are often complex and difficult to implement and monitor

(and may be even more difficult to implement and monitor in light of the speed with which certain regulatory changes have been implemented in certain jurisdictions), especially in the context of a fund structured like the Fund, and are subject to re-interpretation (or different interpretations from those applied by the Fund in light of information currently available to the Investment Manager), which could expose the Fund, the Investment Manager and their respective affiliates to liability.

Risks Relating to the Structure of the Fund

Limited Liquidity. An investment in the Fund has limited liquidity because Limited Partners will generally have only limited rights to withdraw capital from the Fund or transfer their Interest, and the Fund has the right to suspend withdrawals, as described more fully in the Offering Memorandum. Limited Partners must be prepared to bear the financial risks of an investment in the Fund for an indefinite period of time.

Access to Information by Investors and Effect on Withdrawals. In response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Manager may provide additional information to certain Limited Partners and prospective Limited Partners that is not distributed to other Limited Partners and prospective Limited Partners. This information may affect a prospective Limited Partner's decision to invest in the Fund, and a Limited Partner (which may include personnel and affiliates of the Investment Manager) may be able to act on the additional information and withdraw their Interests (subject to the withdrawal rights set forth above) potentially at higher values than other investors. Any of these withdrawals may result in reduced liquidity for other investors and, in order to meet withdrawals as of permitted Withdrawal Dates, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Limited Partner is responsible for asking the questions it believes is necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Investment Manager and the Fund is sufficient for its needs and must accept the foregoing risks.

Sharing of Information Regarding the Company, Discretionary Advisory Arrangements, Sale of Research and Split Allocations. The Investment Manager has, and may in the future, share information relating to the Company with third parties (each, a "Third Party") in connection with an investment in the Company. These activities may take any form, including discretionary advisory arrangements and/or the sale of research with respect to the Company for which the Investment Manager will receive compensation from the Third Party in the form of advisory fees and/or performance fees. In certain circumstances, the Third Parties may invest in the Fund while also investing in the Company, either directly or through other third-party investment vehicles, and the amounts invested outside the Fund may be significant. Any of these Third Parties may act on this information, including trading securities of the Company, in a manner that may adversely affect the Fund. In addition, any Third Party may not bear expenses relating to its investment in the Company, requiring the Fund to pay more than its pro rata share of the expenses related to the investment in the Company.

Referral of Other Investors. The Investment Manager or its affiliates may refer other investors (each, an "Other Investor") to a third-party investment manager (an "Other Manager"), that will purchase securities of the Company. The Fund may be adversely affected by the Other Manager's actions with respect to the Company's securities. The Investment Manager will benefit from these arrangements due to the compensation it receives from the Other Manager while the Fund may be simultaneously disadvantaged. In addition, investments in the Company by Other Investors may be subject to better liquidity terms (and as a result the Other Managers may sell Company securities prior to the Fund) and the Other Investors may not agree to bear a pro rata share of certain expenses relating to the investment in the Company, requiring the Fund to pay more than its pro rata share of the expenses related to the investment in the Company.

In-Kind Distributions. Under certain circumstances, a withdrawing Limited Partner may receive securities in lieu of, or in combination with, cash. These distributions, if any, may include interests in one or more special purpose vehicles holding securities owned by the Fund, or participations in special purpose vehicles. To the extent a withdrawing Limited Partner is distributed interests in special purpose vehicles, the withdrawing Limited Partner will continue to be at risk with respect to the Fund's business. The value of securities distributed in kind may increase or decrease before they are sold either by the withdrawing Limited Partner, if received directly, or by the Investment Manager or its affiliates, if held through a special purpose vehicle. In either case, the withdrawing Limited Partner will incur transaction costs in connection with the sale of any of these securities and, in the case of interests in special

purpose vehicles, will bear a proportionate share of the operating and other expenses borne by the vehicle, including potentially fees to the Investment Manager to liquidate the assets. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the Limited Partner, with the result that the Limited Partner may ultimately receive less cash than it would have received on the date of withdrawal if it had been paid in cash. Furthermore, to the extent that a withdrawing Limited Partner receives interests in special purpose vehicles, the withdrawing Limited Partner will generally have no voting rights or any control over when and at what price the securities in which the vehicles have an interest are sold.

Contingency Reserves and Holdbacks. The General Partner may cause the Fund, at any time and from time to time, to establish reserves (whether or not established in accordance with or as required by GAAP) for estimated or accrued expenses, liabilities or contingencies, including in connection with the liquidation or dissolution of the Fund. If reserves are established that are not established in accordance with or required by GAAP, they will be treated in the same manner as reserves that are established in accordance with or required by GAAP, i.e., in the period in which they are taken they will be treated as an expense of the Fund (and will reduce the net assets of the Fund), and, if and to the extent that they are subsequently reversed, they will be taken into income in the period of the reversal (and will to that extent increase the net assets of the Fund). At the time a reserve is taken, the Fund may (but is not required to) provide that income from any subsequent reversal will be attributed solely to persons who were invested when the reserve was taken. The establishment of reserves will not insulate any portion of the Fund's assets from being at risk, and the Fund may make investment decisions relating to assets so reserved as it determines appropriate.

In addition to the power of the General Partner to cause the Fund to establish reserves, the General Partner also has the power to cause the Fund to hold back a portion of the amount payable to a Limited Partner in respect of a withdrawal (whether the withdrawal is voluntary or compulsory) to satisfy contingent or anticipated liabilities. The amount of the withdrawal proceeds held back will be determined by the General Partner in its reasonable discretion, taking into account factors as it considers relevant with respect to any contingent or anticipated liability. These holdbacks will reduce the amount paid to a withdrawing Limited Partner. The General Partner will cause the Fund to distribute the unused portion of any holdback to the Limited Partner to which the holdback applied after the Fund has determined that the need therefor has ceased.

Disclosure of Information Regarding Limited Partners. The Fund, the Investment Manager, the General Partner, and/or their respective service providers or agents may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about the Fund and/or the Limited Partners, including, but not limited to, investments held by the Fund and the names and level of beneficial ownership of Limited Partners to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party, or regulate businesses or sectors in which the Fund directly or indirectly invests or seeks to invest, or (ii) any counterparty of, or service provider to, the Investment Manager, the General Partner or the Fund. By virtue of entering into the subscription agreement and becoming a Limited Partner, each Limited Partner will consent to any disclosure relating to the Limited Partner.

Modification, Restriction and Elimination of Fiduciary Duties. The partnership agreement contains provisions that modify, restrict or otherwise eliminate duties (including fiduciary duties) that might otherwise be owed to the Fund or the Limited Partners by any of the Indemnified Parties (as defined in the Offering Memorandum). Under the partnership agreement, the Fund has agreed to restrict or otherwise eliminate certain duties (including fiduciary duties), to the fullest extent permitted by law, that might otherwise be owed by the Indemnified Parties to the Fund or the Limited Partners under the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 et seq.), as amended from time to time (the "Act") with respect to (i) any corporate opportunities (other than an investment in the Company) available to, or pursued by, the Indemnified Parties and (ii) all matters related to, or in connection with, situations where the Indemnified Person serves on the board of directors of the Company or as fiduciaries or similar capacities for other enterprises including, but not limited to, public companies other than the Company that create or appear to create a conflict of interest with the Fund or the Limited Partners. These provisions have been adopted to, among other things, resolve potential conflicts of interests in the event that these persons serve on the board of directors of the Company for the benefit of the Fund or as fiduciaries or in similar capacities for other enterprises including, but not limited to, public companies other than the Company, that create or appear to create a conflicts of interest with the Fund or the Limited Partners. Without these modifications, the General Partner's and Investment Manager's ability to make decisions involving conflicts of interest would be restricted. There is a risk that these modifications may be

detrimental to Limited Partners because they restrict the remedies available to Limited Partners for action that, without those limitations, might constitute breaches of duty (including fiduciary duties).

Risks Related to the Operations and Investment Activities of the Fund

Counterparty Risk. The Fund expects to establish relationships to obtain prime brokerage, derivative intermediation and financing services that permit the Fund to trade in any variety of markets or asset classes over time as well as custody its cash and investments. However, there can be no assurance that the Fund will be able to establish or maintain these relationships. An inability to establish or maintain these relationships could limit the Fund's trading activities, create losses, preclude the Fund from engaging in certain transactions or prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the prime brokerage, derivative intermediation and financing services provided by any of these relationships could have a significant impact on the Fund's business and operations due to the Fund's reliance on these counterparties.

The assets of the Fund will generally be held in "street name" or in accounts maintained for it by its prime brokers or in accounts with other market participants. The accounts generally will not be segregated, bankruptcy-remote accounts titled in the owner's name and, therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Fund. In addition, because the Fund's securities generally will be held in margin accounts the prime brokers will have the ability to loan those securities to other persons under certain circumstances, and the Fund's ability to recover all of its assets in the context of a bankruptcy or other failure of a prime broker may be further limited.

Some of the markets in which the Fund will effect transactions may not be "exchange-based," such as "over-the-counter" or "interdealer" markets. The stability and liquidity of over-the-counter transactions depends in large part on the creditworthiness of the parties to the transactions. The participants in these markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its 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. This "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. Generally, the Fund will not be restricted from dealing with any particular counterparties. The Investment Manager's evaluation of the creditworthiness of counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

If there is a default by a counterparty, the Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising these contractual rights may involve delays or costs which could result in the net asset value of the Fund being less than if the Fund had not entered into the transaction. Furthermore, there is a risk that any of these counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Fund's securities from the counterparty or the payment of claims therefor may be significantly delayed and the Fund may recover substantially less than the full value of the securities entrusted to the counterparty.

In addition, the Fund may use counterparties located in jurisdictions outside the United States. These foreign counterparties usually are subject to laws and regulations in foreign jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of an insolvency on the Fund and its assets. Investors should assume that the insolvency of any counterparty would result in significant delays in recovering the Fund's securities from or the payment of claims therefor by the counterparty and a loss to the Fund, which could be material.

Trading Agency. Under certain circumstances, the Investment Manager may coordinate trading by or on behalf of one or more third parties or co-investors. In the event that the Investment Manager acts in such a manner, it is

anticipated that the parties will not exculpate or indemnify the Fund or the Investment Manager for any action or failure to take any action in connection thereto.

Risks Related to Investment Strategy

Prospective Limited Partners should not assume that the risk factors included here reflect any and all risks associated with investment in the Company.

Risk of Loss. No guarantee or representation is made that the Fund's investment program, including, without limitation, the Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the investments otherwise made by the investment professionals of the Investment Manager are not necessarily indicative of the Fund's or the Investment Manager's future performance.

Investment and Trading Risks in General. Inherent in any investment in securities is the risk of losing the invested capital. The Investment Manager believes that the Fund's investment program and the Investment Manager's research techniques moderate this risk through a careful selection of securities and investment opportunities, including in the Company, as well as through the application of the Investment Manager's ongoing qualitative and quantitative review of its investments. However, no guarantee or representation is made that the Fund's investment program will be successful or profitable, and investment results may vary substantially over time. The Fund's investment program will utilize investment techniques such as option and derivative transactions, margin transactions, short sales, and futures and forward contracts, which can, in certain circumstances, maximize the adverse impact of any loss or adverse event to which the Fund may be subject.

The Investment Manager will not, in general, attempt to measure or hedge all market or other risks inherent in the Fund's portfolio, and will seek to measure and hedge certain risks, if at all, only partially. Specifically, the Investment Manager may choose not, or may determine that it is economically unattractive, to hedge certain risks.

General Economic and Market Risk. The success of the Fund's activities also will be affected by general economic and market conditions, such as commodity prices (including oil and gas), interest rates, availability of credit, inflation rates, employment conditions and labor relations, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments) or regulations (or their interpretation), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors will affect the level and volatility of the prices of securities, commodities and other financial instruments.

Highly Concentrated Investment; No Diversification. The Investment Manager expects to invest substantially all of the Fund's investable capital in securities issued by, or instruments the reference asset for which is, the Company. Therefore, the Fund will fluctuate in value if there are adverse economic conditions affecting the performance of the Company (for instance, conditions affecting the sector in which the Company operates or the geographic area in which its activity is focused). Additionally, a decline in the value of the securities of the Company will have a material and adverse impact on the Fund's assets, and, in turn, the value of any Limited Partner's investment in the Fund.

"Blind" Pool. The identity of the Company will only be disclosed to some of the Limited Partners. Because of this, certain prospective Limited Partners will make the decision to invest in the Fund without knowing the identity of the Company. These Limited Partners will not be able to evaluate the Company, its financials or the attendant risk factors pertaining to the Company. When making a decision to invest in the Fund prospective Limited Partners should understand that were they to be given an opportunity to evaluate the Company, its financials and the attendant risk factors pertaining to the Company, they might have decided not to invest in the Fund.

Engaged Investment Strategy. The Fund may pursue an active role in effectuating corporate, managerial or similar change with respect to its investment in the Company. While the Investment Manager does not anticipate litigation in pursuit of its engaged investor strategy with respect to the Company, the Investment Manager itself and the Fund may engage in litigation and may be the subject of litigation or regulatory investigations resulting from litigation initiated by the Investment Manager or otherwise.

The costs in time, resources and capital involved in an engaged investment strategy depend on the circumstances, which are only in part within the Investment Manager's control, and may be significant. For example, the Fund, other clients invested in the Company and/or the Investment Manager may be defendants in lawsuits initiated by third parties, including the Company, other shareholders, or government bodies. There can be no assurance that any litigation, once begun, will be resolved in favor of, or conclude without potential exposure to, the Fund, other clients invested in the Company, and/or the Investment Manager. In addition, by pursuing an engaged investor strategy, the Investment Manager and its affiliates are subject from time to time (and especially in the context of a proxy contest) to formal or informal investigations or inquiries by the SEC and other governmental and self-regulatory organizations in connection with their activities. Litigation and regulatory investigations involving the Fund, other clients invested in the Company and/or the Investment Manager may require significant amounts of the Investment Manager's time. Furthermore, the expenses associated with initiating or defending these actions or pursuing this investment strategy (including without limitation, the expense of pursuing litigation, defending against claims by third parties and paying amounts pursuant to settlements or judgments or paying other transactional costs, such as the costs associated with proxy contests, regulatory authority filings, audits and inquiries, and the costs (including without limitation, incentive compensation and potential indemnification costs) of having certain individuals be the nominees for or serve on the board of directors of the Company, at the Fund's request) generally will be borne by the Fund. These expenses may be significant and will reduce returns and/or may result in losses.

The success of the Fund's engaged investment strategy may require, among other things: (i) that the securities of the Company prove to be undervalued so that prices can be improved, including through the Investment Manager's actions; (ii) that the Fund acquire sufficient shares of the securities of the Company at a sufficiently attractive price; (iii) a positive response by the management of the Company to engagement; (iv) a positive response by other shareholders and other stakeholders to engagement and the Fund's proposals; and (v) a positive response by the markets to any actions taken by the Company in response to shareholder engagement.

Strategies employed in respect of the Fund's investments may prove ineffective for a variety of reasons, including: (i) opposition of the management, board and/or shareholders of the Company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies; (iii) efforts by the Company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the Fund or its affiliates; (iv) the presence of corporate governance mechanisms, such as poison pills and/or classes of shares with increased voting rights; and (v) the necessity for disclosure in compliance with applicable securities laws or corporate law requirements. These risks may be exacerbated to the extent the Company develops and utilizes novel strategies. Furthermore, successful execution of the Fund's strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the Company and some of those parties may be indifferent to the proposed changes.

Board Participation. The Fund, either alone or together with others (including any other client invested in the Company), may secure the appointment of persons to the Company's board of directors. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees) serving on the board of directors of the Company at the Fund's request will be compensated by the Company for board service, and will acquire fiduciary duties to the Company and to the Company's shareholders, members, unitholders, partners or other owners, in addition to the duties it owes the Fund (subject to the waiver of the duty as set forth below). These fiduciary duties may require individuals to take actions that are in the best interests of the Company or the shareholders, members, unitholders, partners or other owners of the Company. Accordingly, situations may arise where members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees may have a conflict of interests between any duties that they owe to the Company and the shareholders, members, unitholders, partners or other owners of the Company, on the one hand, and any duties that they owe to the Fund, on the other hand.

Under the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 et seq.), as amended from time to time, limited partnerships are permitted to restrict or otherwise eliminate of fiduciary duties. Accordingly, the partnership agreement provides, among other things, for the elimination of fiduciary duties to the Fund or the Limited Partners in the event that a conflict arises.

Exposure to Material Non-Public Information. The Investment Manager and its affiliates expect to receive material non-public information in connection with investments of the Fund, including in the Company. As a result, the Fund may be prohibited, by law, policy or contract, including any “restricted list” maintained by the Investment Manager, for a period of time from (i) unwinding a position in the issuer, (ii) establishing an initial position or taking any greater position in the issuer and (iii) pursuing other investment opportunities related to the issuer. These restrictions on the purchasing or selling of securities may have an adverse effect on the Fund.

Beneficial Ownership of the Company’s Securities; Certain Regulatory Filings and Hart-Scott-Rodino Obligations. In connection with any acquisition of beneficial ownership by the Fund and the other clients invested in the Company of the securities of the Company, the Fund may be required to make certain filings with certain regulatory authorities, including filings pursuant to Sections 13(d) and/or 16 of the Exchange Act, or the rules and regulations promulgated thereunder. These filings may require disclosure of the identity and background of the Fund and other clients acquiring the securities, the source and amount of funds used to acquire the securities, the purpose of the transaction, the clients’ interest in the securities and any contracts, arrangements or undertakings regarding the securities and other information. The Fund does not expect that these filings would require the Fund to disclose the identity of its investors.

In certain circumstances, the Fund may be required to aggregate certain investments in the Company with the beneficial ownership of the Company’s securities held by or on behalf of the Investment Manager and its affiliates, which could require the Fund, together with the other parties, to make certain disclosure filings or otherwise restrict the Fund’s activities with respect to the Company’s securities. These laws and regulations may inhibit the Fund’s ability to freely acquire and dispose of certain securities, and possibly subject the Fund to “short swing profits” disgorgement. Should the Fund be affected by these rules and regulations, it may not be able to transact in ways that would realize value for the Fund. In addition, the Fund may be required to make filings along with other clients invested in the Company under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“Hart-Scott Rodino Act”) and possibly be subject to certain fees, penalties or sanctions, if it fails to do so.

In addition, any changes to government regulations (such as to Schedule 13D or Hart-Scott Rodino Act filings) could make some or all forms of engaged investor strategies more difficult to implement, impractical or unlawful. Accordingly, these changes, if any, could have an adverse effect on the Fund.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of the Company may undermine the Investment Manager’s due diligence efforts with respect to the Company, and if fraud is discovered, negatively affect the valuation of the Fund’s investments. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact the Fund’s investment program.

Due Diligence Performed May Not Reveal All Relevant Facts. When assessing this investment opportunity, the Investment Manager has relied and will continue to rely on resources that may provide limited or incomplete information. In particular, the Investment Manager has relied and will continue to rely on publicly available information and data filed with various government regulators. Although the Investment Manager has evaluated and will continue to evaluate information and data as it deemed or deems appropriate, and has sought and will continue to seek independent corroboration when reasonably available, the Investment Manager has not and may choose not to evaluate all publicly available information and data with respect to any investment and has often not been and will often not be in a position to confirm the completeness, genuineness or accuracy of the information and data that it did or will evaluate.

In addition, when assessing this investment opportunity for the Fund, investment analyses and decisions by the Investment Manager may be undertaken on an expedited basis in order to take advantage of what it perceives to be short-lived investment opportunities. In these cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete.

As a result, there can be no assurance that due diligence investigations carried out by the Investment Manager will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to identify relevant facts may result in inappropriate investment decisions, which may have a material and adverse effect on the value of any investment in the Fund.

Leverage and Borrowing. The Fund may use leverage in the Investment Manager's discretion. The use of leverage will allow the Fund to make additional investments, thereby increasing its exposure to assets, so that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Fund's portfolio. The effect of the use of leverage by the Fund in a market that moves adversely to its investments could result in substantial losses to the Fund, which would be greater than if the Fund were not leveraged.

Borrowing for Cash Management Purposes. The Fund has the authority to borrow for cash management purposes, such as to satisfy withdrawal requests.

Collateral. The instruments and borrowings that may be utilized by the Fund to leverage investments may be collateralized by all or a portion of the Fund's portfolio. Accordingly, the Fund may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Fund can apply essentially discretionary margin, "haircut," financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Fund may have similar rights. There can be no assurance that the Fund will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any of these costs may or may not be recovered by the return on the Fund's portfolio.

Short Selling. A short sale in equity creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In these cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that these market makers will be willing to make these quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which the security was originally sold short by the Fund.

Hedging Transactions. The Fund may utilize financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) satisfy any other purpose that the Investment Manager deems appropriate.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses, although hedging does typically reduce the risk of loss. On the other hand, the hedging transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it should be noted that (i) the Investment Manager may determine not to hedge against, or may not anticipate, certain risks, (ii) the portfolio will always be exposed to certain risks that cannot be hedged and (iii) there is no guarantee that a hedge

will be properly implemented, will function in the manner anticipated or will not be adversely effected by changes in the applicable law or regulation.

The success of the Fund's hedging transactions to a significant degree will be subject to the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged. Since the characteristics of many securities change as markets change or time passes, the success of any hedging strategy will also be subject to the ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, these transactions may result in a poorer overall performance for the Fund than if it had not engaged in the hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Fund will not be required to hedge any particular risk in connection with a particular transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Hedging Activity by Limited Partners and Other Third Parties. A Limited Partner and/or any Third Party may hedge some or all of its risk related to its exposure to the Company by engaging in short sales (or similar strategies) related to the Company or other transactions. These activities could impact the liquidity and the share price of the Company, which may have a material and adverse effect on the value of an investment in the Fund.

Cash Management. The Fund may hold cash or money market instruments. The percentage of the Fund invested in and among the holdings varies and depends on various factors, including market conditions and purchases and withdrawals of Interests. The Fund may agree to certain restrictions on the liquidity of the underlying cash or money market instruments in exchange for a more favorable interest rate or increased capacity (e.g., "time deposits"). Furthermore, when instruments other than demand deposits of cash are held (e.g., money market instruments or short-term securities), there may be greater market risk, illiquidity risk or the risk of operational delays in converting the instrument into cash. Demand deposits in cash are generally not collateralized and would give rise to an unsecured claim in the event of the bankruptcy of the deposit-taking institution.

Litigation Expenses May Be Borne by Subsequent Investors. Litigation costs may be expensed as incurred, and therefore the Fund may pay for litigation expenses associated with historical investments that may no longer be material to the Fund. Alternatively, if the expenses are expected to be material in a particular case, the Fund may create a reserve to pay the estimated expenses. In both cases, the Fund may expense any litigation costs, or record any litigation reserves, in the accounting period in which the expense is incurred or the reserve created, which may be subsequent to the period in which the gains that resulted in the litigation were generated.

In that event, a Limited Partner who elects to withdraw part or all of its capital account will not be paid any portion of its capital account that is allocated to the reserve until the reserve is released. The existence of litigation reserves could result in substantial delays before a Limited Partner receives the complete return of its capital account in connection with a withdrawal.

Risks Related to Specific Investments

Equities. The Fund may invest its capital in long and short positions in equities and other investments. Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in equity is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Exchange Traded Funds. The Fund may invest in exchange-traded funds ("ETF"). ETFs are a type of investment security representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or to represent exposure to a particular industry or sector. Unlike open-ended mutual funds, the shares of ETFs and certain closed-end funds are not purchased and redeemed by investors directly, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and certain closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in

equity securities, investors in ETFs designed to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of that particular index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Convertibles. The Fund may invest in fixed income and other securities that may be converted into or exchanged for a specified amount of another security (typically common equity) of the same or different issuer within a particular period of time at a specified price or formula. Convertible securities are exposed to changes in the price of the security into which they are convertible, changes in the creditworthiness of the issuer, changes in interest rates, and changes in overall fixed-income risk premiums. The Fund and other investors in convertible securities frequently hedge their position by selling short all or a portion of the underlying securities into which they are convertible. As a result, to the extent that they hedge in this fashion, the Fund may also be exposed to the following risks: (i) the loss of the ability to hedge the security due to loss of stock loan or a corporate event like a merger; (ii) an unexpected increase in dividends by the issuer making hedging more expensive and thus lowering the value of the conversion option; (iii) an unexpected termination of the conversion option due to a cash takeover of the issuer; (iv) a decline in the volatility of the underlying security by reason of a share-for-share takeover or otherwise which also tends to reduce the value of the conversion option; and (v) a failure of the issuer to deliver common stock upon receipt of a conversion notice preventing the Fund from liquidating its hedge.

Derivative Instruments Generally. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value the derivatives is subject to change. In addition, the Fund may, in the future, take advantage of opportunities. Special risks may apply in the future that cannot be determined at this time with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available.

Call Options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether the Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Swaps. Whether the Fund's use of swap agreements or swaptions will be successful will depend on the Investment Manager's ability to select appropriate transactions for the Fund. Swap agreements and

options on swap agreements (“swaptions”) can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder’s exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Fund’s portfolio. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Fund will also bear the risk of loss related to swap agreements, for example, for breaches of these agreements or the failure of the Fund to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Fund’s ability to terminate swap transactions or to realize amounts to be received under these transactions.

Forward Contracts. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in these contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit these forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Fund. In its forward trading, the Fund will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Fund trades. Fund assets on deposit with the principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Investment Manager may order trades for the Fund in such markets through agents. Accordingly, the insolvency or bankruptcy of these parties could also subject the Fund to the risk of loss.

Risks Related to U.S. Federal Income Tax

Tax Considerations Taken into Account. The General Partner may take tax considerations into account in determining when the Fund’s investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction, however, no assurances can be provided that any favorable tax treatment will be achieved.

Diverse Investor Base. The Limited Partners are expected to include U.S. taxable and tax-exempt entities and institutions from jurisdictions outside of the United States. These investors may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Manager, including with respect to the nature or structuring of investments that may be more beneficial for one type of investor than another, especially with respect to an investor’s individual tax situation. In selecting and structuring investments appropriate for the Fund, the Investment Manager will consider the investment and tax objectives of the Fund and its investors as a whole, rather than the investment, tax or other objectives of any investor individually and therefore, certain investments made by the Fund may be structured in a manner that is not tax efficient for the Limited Partners in the Fund.

Tax Liabilities Without Distributions. If the Fund has taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of the Fund’s profits, whether or not the profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Fund without receiving sufficient distributions from the Fund to defray these tax liabilities. In order to satisfy its tax liability in this type of case, a Limited Partner would need sufficient funds from sources other than the Fund. Furthermore, the Fund may make investments with respect to which the Fund recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Fund may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. This recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Partners.

Unrelated Business Taxable Income. The Fund may make investments or engage in activities that will give rise to unrelated business taxable income (“UBTI”). Thus, an investment in the Fund may be less desirable for certain tax-exempt investors that are sensitive to UBTI. The Fund may participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the “flow-through” principles applicable to partnerships, a tax-exempt investor in the Fund will realize UBTI if UBTI is earned by the Fund (including with respect to unrelated debt-financed income (“UDFI”) that is considered UBTI). Because of the General Partner’s objective of maximizing the pre-tax returns of all the Limited Partners, the General Partner may be required to make certain decisions to maximize pre-tax returns that result in Tax-Exempt U.S. Limited Partners (as defined below) recognizing more UBTI than might otherwise be the case. In some cases, the General Partner may forego actions with regard to the acquisition, financing, management and disposition of assets that would reduce UBTI because the actions would reduce the overall pre-tax returns to all the Limited Partners.

Non-U.S. Investors. Investments made by the Fund are not expected to result in the Fund being treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. However, regardless of whether the Fund’s activities constitute a trade or business, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”), gain derived by the Fund from the disposition of U.S. real property interests (including interests in certain entities owning U.S. real property interests) is generally treated as effectively connected income.

Furthermore, investments made by the Fund may generate U.S.-source income that is not effectively connected with a U.S. trade or business. In this case, a non-U.S. Limited Partner will be subject to a withholding tax of 30% (unless reduced by an applicable income tax treaty) on all fixed, determinable, annual, or periodical income (which, under applicable provisions of the Code, generally includes all income other than certain gains derived from the sale of real or personal property) that is allocated to the non-U.S. Limited Partner and included in its distributive share of the Fund’s income (whether or not the income is actually distributed).

II. Future Clients

A. Method of Analysis and Investment Strategies of Future Clients.

Like the Fund, the Investment Manager will seek to create capital appreciation for the benefit of Future Clients by gaining exposure directly or indirectly to one or more companies and securities. Investments may be structured through one or more special purpose vehicles or vehicles with more diversified portfolios. Future Client investments may be in public or private markets.

B. Material, Significant, or Unusual Risks Related to Investment Strategies of Future Clients.

Although the risk factors set forth under I.B above contemplate an investment in the Fund and not the risks related to investment strategies or methods or analysis with respect to any Future Client, the bulk of those risk factors will be applicable to a Future Client, including risks related to private investment funds generally, risks related to management, certain risks related to the structure of the Fund, certain risks related to the operations and investment activities of the Fund, certain risks related to investment strategy, certain risks related to specific investments and certain risks related to U.S. Federal income tax.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Investment Manager's advisory business or the integrity of the Investment Manager's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

The Investment Manager and its management persons are not registered as broker-dealers and do not have an application pending to register as a broker-dealer or a representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Manager Registration Status.

The General Partner is exempt from registration with the Commodities Future Trading Commission (the “CFTC”) as a “commodity pool operator” pursuant to CFTC Rule 4.13(a)(3) with respect to the Fund.

C. Material Relationships or Arrangements with Industry Participants.

Saddle Point is the investment manager to Maxima Fund I, L.P., a pooled investment vehicle.

Saddle Point Strategic Advisors, LLC (“Saddle Point Strategic Advisors”), which is also controlled by the Principal, is the investment adviser to the Principal’s family office. Saddle Point Strategic Advisors is exempt from registration pursuant to the “family office” exemption.

D. Material Conflicts of Interest Relating to Other Investment Managers.

The Investment Manager has reserved the right to refer third-party investors to other investment managers in exchange for a fee.

ITEM 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics.

The Investment Manager has adopted a Code of Ethics (the “Code”) which is designed to assist Saddle Point in meeting its obligations as a fiduciary, protecting Saddle Point’s reputation and instilling in its employees Saddle Point’s commitment to honesty, integrity and professionalism. In addition, the Investment Manager has Procedures To Detect and Prevent the Misuse of Material Non-Public Information which are intended to detect and prevent possible violations of the prohibition on unlawful insider trading.

The Code states that Saddle Point has a duty to place the interests of its clients before the interests of the Investment Manager and its employees. In connection with this, the Code imposes limitations on employees’ personal trading, among other things. With respect to the limitations on personal trading, generally employees are prohibited from buying and selling “reportable securities” without obtaining prior approval from the Chief Compliance Officer, subject to certain limited exceptions. For example, without prior approval employees may buy or sell “exempt securities”, municipal bonds, foreign unit trusts and foreign mutual funds and exchange-traded funds.

Employees are required to disclose their personal securities accounts (i.e., any account that may hold securities), personal securities holdings and transactions to the Chief Compliance Officer on a periodic basis. The Code’s personal trading policy applies to accounts held by employees, their immediate family members (including any relative by blood or marriage) and any other family member sharing an employee’s household or claimed for U.S. Federal income tax purposes as financially dependent on the employee. Certain accounts are exempt from ongoing reporting obligations, e.g., managed accounts in which securities are traded, provided that the employee does not have any direct or indirect influence or control over these accounts.

The Code also contains policies and procedures related to outside activities, the receipt and provision of gifts/entertainment, policies and procedures related to political contributions and compliance with the “pay to play” laws, among other things.

Clients may request a copy of the Code by contacting the Investment Manager at the address or telephone number listed on the first page of this Brochure.

B. Securities in Which You or a Related Person Has a Material Financial Interest.

The Investment Manager currently has investment discretion over one client, the Fund. To the extent Saddle Point obtains additional clients in the future and engages in rebalancing or internal “cross” transactions between or among clients, the Investment Manager will follow a policy that, for any clients investing side-by-side with other clients (as determined by the Investment Manager in its sole discretion), is intended to result in the accounts generally holding the relevant securities or other financial instruments on a proportionate basis relative to their respective net asset values, taking into account various factors to (e.g., cash balances and anticipated cash flows).

At times, the Investment Manager or its affiliates may make an in-kind contribution of securities in lieu of cash upon launch of a Future Client. To the extent that any client trades may be viewed as principal transactions due to the ownership interest in a client by the Investment Manager or its personnel or otherwise, the Investment Manager will comply with the requirements of Section 206(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

C. Investing in Securities That You or a Related Person Recommends to Clients.

The Investment Manager may determine that certain securities currently in Principal’s family office portfolio (or securities related to the same underlying investment, e.g., a different series of securities issued by the same company) may be appropriate for a Future Client. In the event that any conflict arises as a result of any Future Client holding

the same or similar securities as are held in the Principal's family office portfolio, the Investment Manager's Conflicts Committee will review the conflict and determine the appropriate course of action.

Please also refer to Item 11(A) for a description of the Investment Manager's personal trading policy.

D. Conflicts of Interest Created by Contemporaneous Trading.

The Investment Manager currently has investment discretion over one client, the Fund. To the extent Saddle Point obtains additional clients in the future, its policy will be to allocate investment opportunities on a fair and equitable basis over time and in a manner that is consistent with the investment objectives of each client account. As a general matter, for any client investing side-by-side with other clients (as determined in the Investment Manager's sole discretion), the Investment Manager will allocate securities among the participating clients on a proportionate basis pursuant to policies that are intended to result in the clients generally holding similar securities or other financial instruments relative to their respective net asset values. At times, certain clients (including the Fund) may be heavily concentrated in one or more investments while other clients may have a broader portfolio of investments. A determination by the Investment Manager as to whether a particular investment opportunity (including the size of exposure of any one investment opportunity) is appropriate for a particular client will take into account factors that the Investment Manager determines in good faith to be relevant, including, among other considerations (a) the risk-reward profile of the proposed investment opportunity in light of the client's objectives (whether these objectives are considered solely in connection with the specific investment opportunity or in the context of the client's overall holdings); (b) the potential for the proposed investment to create an imbalance in the client's portfolio; (c) liquidity, leverage, and other operational factors, cash balances and anticipated cash flows (including as a result of actual or anticipated subscriptions or withdrawals) or during a "ramp up period," which may occur, for instance, at the initial closing of the Fund (or another client) or at the time of acceptance of a significant inflow of capital contributions to the Fund (or another client) until the applicable capital contributions have been invested or substantially invested; (d) tax considerations; (e) regulatory or contractual restrictions that would or could limit a client's ability to participate in a proposed investment; (f) any need to re-size risk in a client's portfolio; (g) whether the opportunity will be *de minimis* for a client; and (h) any other considerations it deems appropriate under the circumstances. The considerations described above, however, may result in allocations among the clients investing side-by-side to be made on a different (and not proportionate) basis. Similarly, as a result, one client participating in an opportunity may increase its exposure to an existing investment position, while one or more other clients may not participate in the increase, or vice versa. The allocation of investment opportunities may, in particular, take into account cash balances or cash requirements of the clients, including as a result of actual or anticipated subscriptions or withdrawals.

Further, if the Investment Manager determines that the purchase or sale of a security is appropriate with regard to the Fund and any other client, the Investment Manager may, but is not obligated to, purchase or sell a security on behalf of the Fund and the client with an aggregated order, for the purpose of reducing transaction costs, to the extent consistent with its duty to obtain best execution and as otherwise permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating account will receive the average price, with transaction costs generally shared *pro rata* based on the size of each account's participation in the order as determined by the Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations; however, the Investment Manager will endeavor to allocate partial fills *pro rata* in proportion to the size of the orders placed for each account to the extent practicable.

Notwithstanding the foregoing, an aggregated order may be allocated on a different basis than that which is set forth above if all accounts receive fair and equitable treatment and the reason for the different allocation is based on one or more of the following: available cash, liquidity requirements, tax or legal considerations, the Investment Manager determines that one or more accounts have sufficient exposure to the applicable security, to avoid odd-lots or in cases when a *pro rata* allocation would result in a *de minimis* allocation to one or more accounts.

ITEM 12 BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

The Investment Manager has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager and/or the Fund (and/or certain client accounts, but not beneficial to all client accounts, in the event that Saddle Point obtains additional clients in the future). Subject to seeking best execution, in selecting brokers and dealers to execute transactions, the Investment Manager may consider, among other factors, the following: (a) confidentiality of trading activity; (b) quality of execution – including accurate and timely execution, clearance and error/dispute resolution; (c) expertise in and/or access to the specific financial instrument or sector in which the client seeks to trade; (d) willingness and ability to execute difficult transactions and accommodate any special execution or order handling requirements; (e) overall cost of a trade (i.e., net price paid or received) including commissions markups, markdowns or spreads in the context of the Investment Manager’s knowledge of negotiated commission rates currently available and other current transaction costs; (f) desired timing of the transaction, the size of trade and the ability to find liquidity; (g) quality and usefulness of research services and investment ideas; (h) ability to respond promptly to inquiries during volatile markets; (i) the nature of the market or the financial instrument; and (j) the broker’s financial stability. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer these services. The Investment Manager need not solicit (and expects not to solicit) competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

From time to time, brokers (including a prime broker) may assist the Fund in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of the Investment Manager may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through these events, prospective investors in the Fund may encounter representatives of the Investment Manager. Brokers may also provide other services, including, without limitation, consulting services relating to technology and office space. Although neither the Investment Manager nor the Fund compensates brokers for this assistance, events or services, or for any investments ultimately made by prospective investors attending these events, these activities may influence the Investment Manager in deciding whether to use the broker in connection with brokerage, financing and other activities of the Fund. However, the Investment Manager will not commit to an investor or a broker to allocate a particular amount of brokerage.

The Investment Manager maintains policies and procedures to review the quality of execution, including periodic reviews by its Best Execution Committee.

1. Research and Other Soft Dollar Benefits.

The Investment Manager currently has no formal “soft dollar” arrangements in place. However, from time to time, the Investment Manager may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. The Investment Manager will effect these transactions, and receive these brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). Where a product or service obtained with soft dollars provides both research and non-research assistance to the Investment Manager (i.e., a “mixed use” item), the Investment Manager will make a good faith allocation of the cost which may be paid for with soft dollars. In making this determination, a conflict of interest may exist by reason of the Investment Manager’s allocation

of the costs of the benefits and services between those that primarily benefit the Investment Manager and those that primarily benefit the client accounts.

To the extent Saddle Point obtains additional clients in the future, further conflicts will arise, e.g., research products or services obtained with “soft dollars” generated by the Fund may be used by the Investment Manager to service one or more clients, including accounts that may not have paid for the soft dollar benefits.

2. Trade Errors.

Pursuant to the exculpation and indemnification provisions set forth in the partnership agreement of the Fund, the Investment Manager and its affiliates and personnel will generally not be liable to the Fund for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud or uncured material breach of the partnership agreement, and the Fund will generally be required to indemnify these persons against any losses they may incur by reason of any act or omission related to the Fund, absent bad faith, gross negligence, willful misconduct or actual fraud or uncured material breach of the partnership agreement. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system and typographical or drafting errors related to derivatives contracts or similar agreements.

3. Brokerage for Client Referrals.

Neither the Investment Manager nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, the Investment Manager may consider, among other things, capital introduction and marketing assistance with respect to investors in the Fund in selecting or recommending broker-dealers for the Fund.

4. Directed Brokerage.

The Investment Manager does not recommend, request or require that a client direct the Investment Manager to execute transactions through a specified broker-dealer.

B. Order Aggregation.

Please refer to Item 11(D) for a description of the Investment Manager’s order aggregation procedures.

ITEM 13 REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

The Investment Manager performs various daily, monthly, quarterly and periodic reviews of the Fund's portfolio. These reviews are conducted by the Chief Executive Officer and/or the Chief Operations Officer.

Saddle Point has engaged an independent administrator to, among other things, maintain the books and records of the Fund and provide certain back office services to the Fund, such as reconciling the Fund's cash, trade activity, and securities positions with that of the Fund's prime brokers and custodians. Saddle Point reviews the work performed by the administrator on an ongoing basis and confirms the accuracy of the net asset values determined by the administrator.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

Investors in the Fund have access to the Fund's daily exposures, and receive at least monthly capital account statements, via the administrator's web portal. The monthly account statements include net performance for the month and year-to-date.

In addition, investors in the Fund typically will receive the Fund's audited financial statements, which is produced by an independent public accountant, within 90 days of the applicable fiscal year end and, if applicable, the information necessary for the investor to complete its annual federal income tax return.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received from non-Clients for Providing Investment Advice or Other Advisory Services to Clients.

The Investment Manager generally does not receive economic benefits from non-clients for providing investment advice and other advisory services.

In connection with the Fund's and/or Saddle Point's engagement with the Company, the General Partner, the Investment Manager, employees of the Investment Manager or members or partners of the General Partner or the Investment Manager may receive transaction, directors', consulting, management, monitoring, closing, topping, break-up and other similar fees to the (all of these fees, referred to as "other fees"). To avoid any conflict of interest that results from receiving compensation from a non-client in connection with the advisory services provided to a client, other than with respect to a certain member of the General Partner, one hundred percent (100%) of any other fees will be applied to reduce the management fee dollar for dollar for the following month. To the extent these offsets would reduce the management fee for a given month below zero, these offsets will be carried forward and reduce future installments of the management fee.

B. Compensation to Non-Supervised Persons for Client Referrals.

Other than the considerations regarding capital introduction programs (described in Item 12A), neither the Investment Manager nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

ITEM 15 CUSTODY

The Investment Manager is deemed to have custody of the Fund's assets and securities because it has the authority to deduct advisory fees from the Fund's account or otherwise withdraw funds from the Fund's account. Account statements related to the clients are sent by qualified custodians to the Investment Manager.

The Investment Manager is subject to rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the Fund because it complies with the provisions of the "Pooled Vehicle Annual Audit Exception", which, among other things, requires that the Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16

INVESTMENT DISCRETION

The Investment Manager has entered into an investment management agreement with the Fund, pursuant to which it was granted discretionary trading authority with respect to the Fund.

The Investment Manager's investment decisions and advice with respect to the Fund is subject to the Fund's investment objectives and guidelines, as set forth in the Fund's offering documents.

ITEM 17

VOTING CLIENT SECURITIES

In compliance with Advisers Act Rule 206(4)-6, the Investment Manager has adopted proxy voting policies and procedures. Saddle Point will always seek to vote proxies to serve the best interests of the client and will consider each potential proxy issue on a case-by-case basis, within the full context of the business, performance, management and corporate governance of each company in which the client has invested, and reach a determination of how to vote in light of all the surrounding material circumstances. The Investment Manager has opted to maintain flexibility on all voting matters as it believes that case-by-case analyses on all proxy voting matters is in the best interests of the client. Non-exclusive factors that the Investment Manager might take into account when determining how to vote proxies include: (a) potential conflicts of management and the likelihood of management to profit from the event, transaction or decision under consideration, (b) the likelihood of the event, transaction or decision under consideration to increase the value of the company and (c) the potential alternatives to the event, transaction or decision under consideration. Given the Fund's investment strategies, its concentrated portfolios and the activist nature of the Fund's investments, corporate actions affecting portfolio companies are typically monitored by the Chief Executive Officer.

Although the potential for conflicts may arise between the interests of the Fund, on the one hand, and the interests of the Investment Manager and/or another client, on the other hand, the Investment Manager does not believe that conflicts are likely. If the Investment Manager encounters an identifiable conflict of interest with respect to a particular vote, in sufficient time before a vote, the Investment Manager's Conflicts Committee will determine how to vote the proxy consistent with the best interests of the clients and in a manner not affected by the conflict of interest. The Conflicts Committee may opt for a voting procedure by which guidance is sought from a proxy adviser or outside legal counsel, on matters involving a material conflict or potential conflict of interest.

The Fund and investors in the Fund may not direct the Investment Manager's proxy vote in a particular situation. Investors may obtain a copy of the Investment Manager's proxy voting policies and procedures by contacting the Investment Manager at the address or telephone number listed on the first page of this Brochure.

ITEM 18

FINANCIAL INFORMATION

The Investment Manager is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.