

FORM ADV – PART 2A – FIRM BROCHURE

Item 1 – Cover Page

Adviser Name: AMALGAMATED GADGET, L.P.
ACME WIDGET, L.P.
PRUFROCK OFFSHORE, L.P.
PRUFROCK ONSHORE, L.P.
Q EMPLOYEES, LLC
Q GLOBAL CAPITAL MANAGEMENT, L.P.
SCEPTER HOLDINGS, INC.
STAR SPANGLED SPROCKETS, L.P.
WORLDWIDE SPROCKETS, L.P.

Contact Information:

Amalgamated Gadget, L.P.
301 Commerce Street, Suite 3200
Fort Worth, Texas 76102
Attention: Compliance
Tel: 817-332-9500

Website Address: www.QInvestors.com, www.QInvestments.com, and www.QFamilyOffice.com

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF THE AFFILIATED INVESTMENT ADVISERS LISTED ABOVE. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 817-332-9500 OR AT INVESTORRELATIONS@ACMEWIDGET.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT THE ADVISERS IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

Item 2 – Material Changes

This version of the brochure contains the following material change(s) since the last version dated March 27, 2020 (any undefined capitalized terms below having the meanings specified in the main portion of this brochure):

- No material changes since March 27, 2020

Item 3 – Table of Contents

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Item 4 – Advisory Business

Amalgamated Gadget, L.P. (“Amalgamated”), Acme Widget, L.P. (“Acme”), Prufrock Offshore, L.P. (“Prufrock Offshore”), Prufrock Onshore, L.P. (“Prufrock Onshore”), Q Employees, LLC (“Q Employees”), Scepter Holdings, Inc. (“Scepter”), Q Global Capital Management, L.P. (“QGCM”), Star Spangled Sprockets, L.P. (“Star Spangled”) and Worldwide Sprockets, L.P. (“Worldwide”) are affiliated investment advisers (collectively, the “Affiliated Advisers”). Amalgamated (the “Filing Adviser”) and the other Affiliated Advisers (each, a “Relying Adviser”) together have filed a single Form ADV pursuant to Form ADV General Instructions Item 5. Each Affiliated Adviser has been in the investment advisory business since its respective inception. Scepter and Acme commenced operations in 1994; Amalgamated commenced operations in 1995; Prufrock Offshore and Prufrock Onshore commenced operations in 2001; Q Employees commenced operations in 2002; Star Spangled and Worldwide commenced operations in 2003; and QGCM commenced operations in 2009. Geoffrey P. Raynor of Fort Worth, Texas controls each of the Affiliated Advisers and owns, directly and indirectly through other entities and trusts, each Affiliated Adviser.

The business of the Affiliated Advisers currently is limited to giving investment advice on a discretionary basis to private investment vehicles that are part of the Q Investments family of funds (collectively, the “Funds”). These Funds, along with the Affiliated Advisers and their related, associated and affiliated entities are collectively referred to as “Q Investments.”

The funds in the main group of Funds jointly pursue a multi-strategy approach (such funds, the “Multi-Strategy Funds”), as described in greater detail in Item 8 below, and are structured in a “master-feeder” arrangement, with those Multi-Strategy Funds that are feeder funds (the “Feeder Funds”) all investing into a single master fund (the “Master Fund”). The Feeder Funds also have the ability to (and currently do) invest independently of the Master Fund for tax, regulatory and other reasons, including through a trading entity managed by QGCM that employs the realization method (rather than the “mark to market” method) for tax purposes (the “Parallel Master Fund”). The Affiliated Advisers may move investments between the Master Fund and the Parallel Master Fund, or vice versa, when it is appropriate for tax, regulatory or other reasons to do so. One of the Funds is an employee-owned investment fund.

Amalgamated is the investment manager for the Master Fund. Each of the following entities is an investment manager or general partner for the Feeder Funds: Scepter, Prufrock Offshore, Prufrock Onshore, Q Employees, Worldwide and Star Spangled. In addition, Acme is the general partner of Underwater Aviation, L.P. (“Underwater Aviation”), which engages in short-term trading in initial public offerings (“IPOs”) and other equity securities; and Amalgamated advises a single-purpose entity owned solely by a former Fund investor that holds limited assets (the “SPE”). Amalgamated also advises Q China Holdings, Ltd., which holds the Funds’ China investments (“Q China”), and Worldwide advises Q India Holdings, Ltd., which holds the Funds’ India investments (“Q India”).

The Affiliated Advisers formulate the Funds’ investment objectives, direct and manage the investment of the Funds’ assets, and provide reports to the Funds’ investors. Investment advice is formulated for the Funds’ investment objectives, and is not individually tailored to the Funds’ investors.

As of December 31, 2020, the Affiliated Advisers managed approximately \$911,489,424 on a gross basis.

Item 5 – Fees and Compensation

Compensation received by an Affiliated Adviser for serving as a Fund’s investment manager or general partner is generally comprised of (i) a fee based on the percentage of assets under management (the

“Management Fee”) and (ii) a performance-based fee (the “Incentive Fee”). Each Fund that is subject to the Management Fee and/or the Incentive Fee is referred to herein as a “Fee-paying Fund”. Certain of the Funds are not subject to the Management Fee and/or the Incentive Fee.

Management Fee

Each Fee-paying Fund pays, in arrears or in advance, a quarterly Management Fee equal to 1/4 of 1.5% of each Fund’s net assets, before reduction for accrued fees and expenses. The Management Fee may be waived or reduced by the Affiliated Advisers (and, in the case of Q China, Q India, Underwater Aviation, and the SPE, as well as with respect to the capital of OUAT (defined below) and the Internal Capital (defined below), has been waived). The Affiliated Advisers may waive or adjust the Management Fee for any reason whatsoever, including for investors who are friends or family of the principals of the Affiliated Advisers, and have done so from time to time. Such Management Fee waivers may be provided in anticipation or appreciation of other benefits that the Affiliated Advisers may receive from such investors. However, other Fund expenses and costs will not be disproportionately allocated to or among investors.

Incentive Fee

Each Fee-paying Fund pays an Incentive Fee equal to 20% of the new appreciation attributable to each series of interests or shares of such Fund as of the end of each fiscal year and upon redemptions or withdrawals of interests or shares. The Incentive Fee may be waived or reduced by the Affiliated Advisers (and, in the case of Q China, Q India, Underwater Aviation, and the SPE, as well as with respect to the capital of OUAT and the Internal Capital, has been waived). The Affiliated Advisers may waive or adjust the Incentive Fee for any reason whatsoever (including for the persons and in the circumstances described in “Management Fee” above), and have done so from time to time.

In addition, an offer was made in 2007 to certain then-current investors in the Multi-Strategy Funds to charge no Management Fee in exchange for an increase in the Incentive Fee to 25%. See “Item 11 – Code of Ethics; Participation or Interest in Client Transactions and Personal Trading – Side Letters” below.

Expenses of the Funds

Each of the Funds bears its own operational, research and investment related expenses, which include, without limitation, the Management Fee; Incentive Fee; accounting, auditing, legal, and tax expenses; organizational expenses; data services at the primary and one cloud-based back-up site (e.g., wire services, quotation data services, news services, financial reporting services, research services, and internal and external IT related costs associated with creating and maintaining Q Investments’ proprietary research and trading databases); trading expenses; service provider expenses (e.g., administrator and board of directors); marketing expenses; insurance expenses; expenses attributable to any possible or actual investment (e.g., research, consultants, travel and entertainment related expenses (for example, without limitation, travel to develop prime brokerage and trading relationships; meals with management of current and potential portfolio companies; and attending sporting or other events with members of trading counterparties or Fund service providers, such as renting all or a portion of (or tickets to) a Dallas Cowboys (or other events) suite at AT&T Stadium or court side Dallas Mavericks tickets¹)); fees and expenses related

¹ Note: As an example, the Affiliated Advisers often invite trading counterparties from New York firms such as JP Morgan, Bank of America or Goldman Sachs to the Dallas-Fort Worth area (“DFW”) to visit in order to strengthen the trading relationship. As an inducement the firm often invites counterparty representatives to a suite at Dallas Cowboys games or to use court side Dallas Mavericks tickets. The Affiliated Advisers believe that such expenditures are valuable in order to entice senior counterparty representatives to visit from long distances. The Affiliated Advisers never exceed a 1 to 1 ratio in terms of charging the Funds for Affiliated Adviser employees versus trading counterparty employees. As an example, if there are 6 Goldman Sachs employees in attendance, the Affiliated Advisers will charge

to Third-Party Seeded Investment Managers and/or Third-Party Managers (each as defined below) and extraordinary expenses (e.g., taxes, indemnification expenses, litigation costs and damages). Each of the Feeder Funds bears its pro rata portion of the Master Fund's and Parallel Master Fund's expenses. A more detailed description of the expenses borne by a particular Fund is available in the offering memorandum of the respective Fund. To the extent that expenses to be borne by the Funds are paid by the Affiliated Advisers or one of their affiliates, the Fund will reimburse such parties for such expenses.

Redemption Charge

When investors redeem from any of the Funds, their redemption, under certain circumstances, may be subject to a redemption charge payable to the applicable Fund of up to 1% of the redemption amount (the "Redemption Charge"). The applicable Affiliated Adviser may waive the Redemption Charge if it determines in its sole discretion that remaining investors are not disadvantaged in connection with a redemption.

Other Services

To the extent disclosed in the applicable offering memorandum, the Affiliated Advisers and their affiliates may from time to time receive reimbursement from the relevant Funds for certain costs and expenses that they pay or incur in the course of performing services on behalf of the Funds. Any such reimbursement will be based on the actual cost of the services provided or as otherwise specifically set forth in such applicable offering memorandum. While the Affiliated Advisers and their affiliates will endeavor in good faith to determine the amount of any such costs, such a determination will be made in their discretion with the information they have available to them at the time such determination is made.

For example, from time to time a portfolio company in which one or more of the Funds have invested (but does not control) may request the service of an employee of an Affiliated Adviser or its affiliates as a consultant, director or restructuring advisor, and the expenses relating to that service may be reimbursed by such portfolio company (including compensation (such as director fees in the form of cash or equity compensation) to the Affiliated Adviser or its affiliate, as applicable, for loss of the employee's services during the time dedicated by such employee to such portfolio company). The cost of dedicated time shall be reimbursed at prevailing market rates, and in some cases the cost shall be determined by the portfolio company. Such costs shall only be reimbursed to an Affiliated Adviser or its affiliate in the event the portfolio company to which the time is dedicated is not controlled by an Affiliated Adviser or its Affiliates, and the Affiliated Advisers shall recuse themselves from the portfolio company's decision to request such consulting or advisory service.

From time to time, an affiliate of the Affiliated Advisers may provide (and previously has provided) construction and similar services to real property owned and controlled by the Funds. The cost of such services shall be reimbursed to the affiliate at the affiliate's actual cost.

In any event, such reimbursements are not offset against the Management Fee, and investors do not have an interest in these reimbursements.

the Funds for the 6 Goldman Sachs employees and for no more than 6 of the Affiliated Advisers' own employees. The purpose of such entertainment is not to enable a sporting event visit by the Affiliated Advisers' employees but rather to build 1 on 1 relationships. An affiliate of the Affiliated Advisers owns the Dallas Cowboys suite and the Dallas Mavericks tickets and only charges the Funds for the tickets used for specific events, and only does so at a verifiable arms' length price based on market comparatives which are provided and recorded (which expenses may, nonetheless, be substantial).

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

As discussed in Item 5 above, the Affiliated Advisers will receive the Incentive Fee based upon the appreciation (if any) in the net asset value of each of the Fee-paying Funds. As a result, the Affiliated Advisers may have a conflict of interest between their responsibility to manage the Funds' investment portfolios and their interest in maximizing the Incentive Fee. For example, the Incentive Fee may create an incentive for the Affiliated Advisers to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. Such Incentive Fee is calculated on a basis which includes unrealized appreciation of the Funds' assets, and may therefore be greater than if such compensation were based solely on realized gains. In addition, the Incentive Fee is not the product of an arm's length negotiation with a third party.

Item 7 – Types of Clients

As stated in Item 4 above, the Affiliated Advisers' business is currently limited to giving investment advice to private investment vehicles that are part of the Q Investments family of Funds. Investment advice is formulated for the Funds' investment objectives, and is not individually tailored to the Funds' investors.

Investors in the Multi-Strategy Funds generally must be either: (i) non-“United States persons” within the meaning of Regulation S under the Securities Act of 1933, as amended (the “Securities Act”); or (ii) both (A) “qualified purchasers” within the meaning of the Investment Company Act of 1940, as amended, and (B) “accredited investors” within the meaning of Regulation D under the Securities Act. The minimum initial capital contribution for the Multi-Strategy Funds is \$5 million, subject to the discretion of the relevant Affiliated Adviser to accept lesser amounts. The Multi-Strategy Funds remain generally closed to new investors.

The capital of (1) The Once Upon A Time Foundation, a charitable foundation founded by Mr. Raynor (“OUAT”), (2) the Affiliated Advisers and their affiliates and (3) the principals of the Affiliated Advisers ((2) and (3) collectively, the “Internal Capital”) in aggregate represents a majority of the capital invested in the Multi-Strategy Funds and certain other investments of the Funds, as of December 2020. The Affiliated Advisers intend to continue to increase OUAT's and the Internal Capital's share of the aggregate capital invested in Funds. A substantial majority of the Internal Capital is currently invested in the Onshore Accounts (defined below), but the Affiliated Advisers may change the percentage of the Internal Capital invested in the Onshore Accounts relative to the non-Onshore Accounts in the future. The Internal Capital and OUAT are not subject to a commitment and do not maintain an undrawn balance.

The Internal Capital and OUAT are not subject to the same redemption restrictions as investors. For example, the Internal Capital and OUAT may be redeemed from the Multi-Strategy Funds at faster rates than external investors' capital in order to meet tax or other requirements of OUAT or the owners of the Internal Capital, and portions of the Internal Capital or OUAT's capital may be invested in, or redeemed from, the Multi-Strategy Funds at relative amounts or timing different than the relative amounts or timing of investments by, or redemptions to, investors. Since, as stated above, the Affiliated Advisers intend to continue increasing OUAT's and the Internal Capital's share of the capital invested in the Funds, the Affiliated Advisers and/or OUAT may invest additional capital at or about the same time as the Affiliated Advisers redeem investors. Depending on the facts and circumstances and consistent with its fiduciary duties, an Affiliated Adviser may, in its sole discretion, elect to (A) mandatorily redeem certain Multi-Strategy Fund investors at different relative amounts or timing than other investors if such Affiliated Adviser determines to reduce the overall size of such Fund, and (B) redeem Internal Capital at different relative amounts or timing than redemptions of other Multi-Strategy Fund investors in order to fund tax payments, engage in transactions designed to rebalance the percentage holdings of Internal Capital, in order to make investments in other Funds (or other investments) or to meet charitable commitments on behalf of

OUAT or Mr. Raynor. If an Affiliated Adviser has determined that it is in the best interests of a Fund or the Funds to sell an investment, the Affiliated Adviser may elect, immediately prior to the sale, to donate to a public charity or to OUAT a portion of the investment to be sold that is attributable to the capital of the Affiliated Advisers, which, in the case of OUAT, will sell the investment on a pro rata basis at the same time as the Fund(s). If an Affiliated Adviser has determined that it is in the best interests of the Fund(s) to continue to hold an investment and the Affiliated Adviser wishes to make a charitable donation of a portion of the investment that is attributable to the capital of the Affiliated Advisers, the Affiliated Adviser may donate such portion of the investment to an unaffiliated public charity. Since the public charity will likely sell such securities immediately, the Affiliated Advisers may purchase the equivalent position in open market transactions such that the Affiliated Advisers may hold a position in such investment consistent with its interest prior to the donation for the purpose of keeping the Affiliated Advisers' position aligned with investors. Or, the Affiliated Adviser may donate such portion of the investment to OUAT, in which case OUAT will hold the donated investment and sell it on a pro rata basis at the same time as the Fund(s) such that, following the donation, the Affiliated Advisers' interests with respect to that investment will remain aligned with investors (see "Conflicts of Interest Relating to IPO Investing; and Once Upon A Time Foundation" for additional discussion of the alignment of interests OUAT provides).

In addition, the Affiliated Advisers generally do not charge a Redemption Charge (defined above) to the Internal Capital or OUAT. The Affiliated Advisers will provide prior written notice to investors in the Multi-Strategy Funds in the event that redemptions of Internal Capital and OUAT's capital would cause the Internal Capital and OUAT's capital to collectively represent less than 40% of the capital invested in the Multi-Strategy Funds. In order to facilitate the Affiliated Advisers' maintaining an investment of a very substantial portion of the Internal Capital and OUAT's capital in the Multi-Strategy Funds, the Internal Capital and OUAT intend to enter into facilities to finance such investments ("Manager Facilities" and, the Internal Capital or OUAT in this context, the "Manager Facility Borrowers"). Manager Facilities could be secured by a pledge of, or other security interests in, such investments of the Manager Facility Borrowers in the Multi-Strategy Funds and/or investments thereof (the "Manager Pledged Assets"). The Affiliated Advisers intend to use Manager Facilities in a manner that they believe appropriate in light of the Multi-Strategy Fund's investment program and general circumstances. However, in the event a Manager Facility Borrower defaults under a Manager Facility, the lender under such a facility may foreclose on the Manager Pledged Assets (a "Manager Facility Foreclosure"), which could result in such lender owning, and subsequently promptly redeeming, a substantial interest in the Multi-Strategy Funds. In the event of a Manager Facility Foreclosure, the foreclosing lender would not be subject to the fiduciary duties with respect to redeeming the foreclosed Pledged Assets that the applicable Manager Facility Borrower was subject to prior to such foreclosure. As stated above, the Affiliated Advisers, depending on the facts and circumstances and consistent with their fiduciary duties, may currently in their sole discretion redeem from the Multi-Strategy Funds at different relative amounts or timing than other investors. However, a foreclosing lender, in the event of a Manager Facility Foreclosure, would only be permitted to redeem foreclosed Manager Pledged Assets on a calendar month-end with at least 30 days' prior notice.

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

The Multi-Strategy Funds generally pursue a multi-strategy approach, that is, a flexible investment program where there are no material restrictions on investments in any particular type of sector, geographic region, market or asset. However, as discussed further in "Item 11 – Conflicts of Interest Relating to IPO Investing; OUAT" below, at the present time, the Affiliated Advisers plan to continue their policy of not allocating equity IPOs to the Multi-Strategy Funds.

In addition, one of the Funds, Underwater Aviation, L.P., is a small investment fund (i.e., less than \$5 million in assets under management) that solely engages in short-term trading in IPOs and other equity

securities. For more information regarding Underwater Aviation, see “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”.

The SPE holds limited assets and its investment manager’s authority is limited to holding or selling these assets. Q China and Q India hold the Funds’ existing China and India investments principally for the purpose of value realization. The discussion of the multi-strategy investment methods below consequently does not apply to these four entities.

The investment objective of the Multi-Strategy Funds is to achieve capital appreciation through a flexible investment program selected by the relevant Affiliated Adviser of the Funds. The Feeder Funds may invest directly or indirectly via the Master Fund, the Parallel Master Fund or other entities in both U.S. and non-U.S. securities (both public and non-public), as well as other instruments, including equities, equity-related securities, exchange traded funds, open and closed-end mutual funds, options, warrants, preferred securities, convertible securities, bonds, bank debt, and other fixed income securities or debt obligations (which may include debt obligations of any kind), including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. These Funds may also purchase, sell, invest in, trade in or hedge using short selling (including short selling of equities, equity-related securities, fixed income instruments and indices), futures, commodity option contracts, currencies (including cryptocurrencies), repurchase and reverse repurchase transactions, credit default swaps (including credit default swap indices and “loan-only” credit default swaps), caps, collars, swaptions, options, swaps and other derivative instruments. The various techniques employed for hedging purposes may also be used as independent profit opportunities, as well as to hedge existing long and short positions. The Funds’ trading in futures and commodity options is, however, primarily for hedging purposes and is incidental to their securities trading. The Funds may also invest in convertible arbitrage positions (*e.g.*, buying a convertible bond and simultaneously selling short the stock into which the bond may be converted).

There are no material restrictions on the particular types of investing in which the Funds may engage. For example, the Funds may invest directly or indirectly via a trading vehicle in the credit markets, risk arbitrage positions (*i.e.*, trades involving the purchase of securities of companies that are the subject of acquisition attempts or corporate reorganizations), convertible arbitrage positions, real estate, energy related opportunities, private equity and venture capital type opportunities, aviation assets (*i.e.*, commercial aircraft, commercial aircraft mortgage notes, commercial aircraft engines and related assets, hereinafter collectively referred to as “Aviation Assets”), emerging markets (including, but not limited to, India and China), litigation finance, seeding other investment funds, managed accounts managed by Third-Party Managers, joint ventures with other entities and/or Third-Party Managers, and other opportunities identified by the relevant Affiliated Adviser. Leverage may be used when deemed appropriate by the Affiliated Adviser and, subject to applicable regulations, the Funds may engage in repurchase and reverse repurchase transactions in their investment programs. Generally, the Funds may purchase securities purchased or sold on national securities exchanges and in the over-the-counter markets, although non-publicly traded securities may be purchased or sold in private transactions.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any of the Funds, including the general business and regulatory risks of investment in private investment funds, operational risks, general market risks, general credit risks, liquidity risks, tax risks and other risks. Investing in securities involves risk of loss that the Funds’ investors should be prepared to bear. A more detailed description of the risks involved in investing is available in the offering memorandum of the applicable Fund.

- **Trading in Securities of Non-U.S. Issuers:** The Funds may trade in the debt or other securities or instruments of issuers located outside of the United States. In addition to

currency exchange risks, such trading requires consideration of certain other risks not typically associated with investing in U.S. securities. There may be less publicly available information regarding issuers located in certain countries. Furthermore, if the financial accounting standards in a non-U.S. country do not require as much detail as U.S. standards, it may be harder to analyze the financial condition of an issuer located in such country. The economies of certain countries often do not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources, or balance of payments position, and may be adversely affected by political and social instability and governmental actions such as the imposition of capital controls, seizure or nationalization of companies or industries, expropriation of assets or the imposition of punitive taxes, which would reduce the net income or return from such investments. Certain of such economies may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers and other protectionist or retaliatory measures.

- **Non-U.S. Exchanges, Markets and Currencies:** The Funds may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets involves certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of such exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on such exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges in general, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Certain markets and exchanges in non-U.S. countries have different clearance and settlement procedures than U.S. markets for trades and transactions and, in certain markets, there have been times when settlement procedures have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Any difficulty with clearance or settlement procedures may expose the Funds to losses. Trading on non-U.S. markets is also subject to the risk of fluctuations in the exchange rate between the local currency and the U.S. dollar and to the possibility of exchange controls.
- **Certain Conflicts:** To the extent that there are overlapping investment objectives among the Funds, one or more Funds may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer’s capital structure than investments made by another Fund. Such varying securities and instruments may result in different potential claims and recoveries for each Fund if the issuer becomes insolvent, restructures or suffers financial distress. Such a situation may create a conflict among the Funds that the Affiliated Advisors cannot resolve in a way that fully protects each Fund’s interests; nevertheless, the Affiliated Advisers will endeavor to treat all Funds fairly.

Additionally, employees of the Affiliated Advisers or their nominees may hold board or creditors’ committee memberships which may require them to vote or take other actions in such capacities that might be conflicting with respect to the Funds in that such votes or

actions may favor the interests of one Fund over another Fund. Furthermore, the Affiliated Advisers' (including their nominees') fiduciary responsibilities in these capacities might conflict with the best interests of the investors in the Funds.

- **Nature of Investments Generally:** The Affiliated Advisers will have broad discretion in making investments for the Funds. Investments will generally consist of debt and equity securities and other instruments and assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the relevant Affiliated Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on a Fund's investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of its portfolio (especially fixed income securities) may fluctuate as the general level of interest rates and credit spreads fluctuate. No guarantee or representation is made that the Funds' investment objectives will be achieved, or that the Funds will be able to generate any return for investors.
- **Equalized Returns Across Similar Funds:** The Affiliated Advisers seek to manage the Multi-Strategy Funds in such a way so that each Fund will have a fair and equitable exposure to investment opportunities that fall within their common investment strategies and objectives, and so that they will all have with respect to those common investment strategies and objectives substantially the same return, when possible. However, there may be times when one Multi-Strategy Fund will not invest with the others because of tax or other legal reasons. In such situations, the Affiliated Advisers will try to structure the investments in such a way as to allow each Fund to participate to the extent economically feasible and legally permissible, and may use such mechanisms as they deem appropriate, including cross trades, derivatives, designated investments, loans and other synthetic exposure mechanisms, to equalize returns among Funds from such investments. Likewise, the Affiliated Advisers may also adjust the relevant proportions of the applicable trading vehicle owned by each Fund to help equalize returns. Such attempts may not always be successful, may result in tax or other costs and risks to various Funds, and may result in some Funds being overweighted and others underweighted in a particular investment or in the ownership of the applicable trading vehicle. While any particular transaction may benefit one Fund more than another, over time, the Affiliated Advisers believe such transactions will result in the fair and equitable treatment of all affected Funds. The Affiliated Advisers will try to minimize the foregoing risks and weighting issues if and when such situations arise.
- **Concentration:** The Funds are not required to follow any specific concentration restrictions and may at times accumulate substantial positions in one or more securities, thereby exposing them to the possibility of substantial losses. They do, however, generally maintain and follow internal concentration guidelines.
- **Equity Long/Short:** This investment strategy may likely involve a net long bias or a net short bias, and significant losses may be incurred in the event of a decline or rise in the security markets. Conversely, the "fully-hedged" approach could cause the Funds' performance to lag behind market indices in the event of sharply rising markets.
- **Event-Driven and Merger Arbitrage:** The success of event driven and merger arbitrage strategies depends on the successful prediction of whether various corporate events will

occur or be consummated. The consummation of mergers, exchange offers, tender offers and other similar transactions can be prevented or delayed, or the terms changed, by a variety of factors. If a proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities purchased by a Fund which utilizes this investment strategy may decline sharply and result, indirectly, in losses to the Fund.

- **Relative Value Strategies:** The success of a Fund's relative value trades depends on the ability of the relevant Affiliated Adviser to exploit relative mispricings among interrelated instruments. Although relative value positions are considered to have a lower risk profile than directional trades as the former attempt to exploit price differentials not overall price movements, relative value strategies are by no means without risk. Mispricings, even if correctly identified, may not converge within the time frame within which the Fund maintains its positions. Even pure "riskless" arbitrage, which is rare, can result in significant losses if the arbitrage is not able to be sustained (due, for example, to margin calls) until expiration. The Fund's relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its or third-party valuation models. Market disruptions may also force the relevant Affiliated Adviser to close out one or more positions. Such disruptions have in the past resulted in substantial losses for funds employing relative value strategies.
- **Convertible Arbitrage:** The use of certain "market neutral" or "relative value" hedging or arbitrage strategies in no respect should be taken to imply that such strategies are without risk. Substantial losses may be recognized on "hedge" or "arbitrage" positions, and illiquidity or default on one side of a position can effectively result in the position's being transformed into an outright speculation. Every relative value strategy involves exposure to second-order risk of the market such as liquidity or other factors that could cause the positions to diverge.
- **Investments in Undervalued Assets:** The Funds may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate investors for the business and financial risks assumed, and investors may consequently lose all or part of their investments in the Funds.
- **Seeding of Other Funds:** The Funds will from time to time seed third-party investment managers (each a "Third-Party Seeded Investment Manager") as an investment opportunity (and has done so). Such seeding will be for the benefit of the Funds, and will be dependent on the skill and abilities of the Third-Party Seeded Investment Manager to raise capital and generate performance returns. Although the Funds will seed a Third-Party Seeded Investment Manager through a continuously monitored managed account, or through an investment in one of the Third-Party Seeded Manager's funds, there is a risk that a Third-Party Seeded Investment Manager may deviate from its contractually committed investment policies or otherwise generate losses that the Funds have not hedged. In addition, such monitored managed account or fund may be subject to certain limitations on liquidity, and the Funds could consequently be unable to withdraw capital from such account or fund except at contractually specified times. Such Third-Party Seeded

Investment Managers will earn management fees and performance fees on the managed account or fund; however, the Funds may recoup a portion of these fees through their contractual economic interests in the gross revenue generated by the Third-Party Seeded Investment Manager but these fees do not offset or reduce the Management Fee and/or Incentive Fee in respect of allocations to Third-Party Seeded Investment Managers.

- **Joint Ventures, Managed Accounts and Third Party Managers:** The Funds will (and has done so), from time to time as an investment opportunity, enter into joint ventures with other funds, entities or third-party managers (“Third-Party Managers”), hire Third-Party Managers to manage, operate, and/or handle an underlying investment of the Funds, and hire Third-Party Managers to manage a continuously monitored managed account of the Funds and/or invest in one of the Third-Party Manager’s funds, all of which will be for the benefit of the Funds, and will be dependent on the skill and abilities of the Third-Party Manager. There is a risk that a Third-Party Manager may deviate from its contractually committed investment policies or otherwise generate losses that the Funds have not hedged. In addition, such joint venture, underlying investment, monitored managed account or investment in another fund may be subject to certain limitations on liquidity, and the Funds could consequently be unable to withdraw capital from such joint venture, underlying investment, managed account or investment in another fund except at contractually specified times. Such Third-Party Managers will earn management fees and/or performance fees on the joint venture, underlying investment, managed account or investment in another fund and the Funds do not offset or reduce the Management Fee and/or the Incentive Fee in respect of allocations to such Third-Party Managers.
- **Real Estate Risks Generally:** The Funds may acquire interests in real estate and real estate related assets, including real estate outside of the United States. Investments in such assets are subject to adverse changes in national and international economic conditions, adverse local market conditions, the financial conditions of tenants, buyers and sellers of properties, changes in availability of debt financing, changes in interest rates, real estate taxes and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, energy prices, changes in the relative popularity of certain property types, U.S. federal income tax consequences (for property located in the United States), risks associated with the presence of certain construction materials, uninsurable losses and other risks. In addition, the Funds may make investments in non-performing or other real estate assets experiencing financial difficulties, which may never be overcome. Investments in properties operating under the supervision of a mortgage lender may be subject to certain additional potential liabilities exceeding the value of the Funds’ original investment. Bankruptcy laws may delay the ability of the Funds to realize on loan collateral or may adversely affect the priority of such loans, and payments to the Funds may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or preferential payment.
- **Real Estate – Additional Risks:** Investing in real estate is also subject to cyclicity and other uncertainties. There can be no assurance as to the Funds’ performance in a weaker market or weakened economy. The cyclicity and leverage associated with real estate related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. The Funds’ real estate-related investments consist of, are secured by or otherwise relate to properties of varying types, geographic locations, owners, tenants and other factors which could make such investments susceptible

to particular types of risks relating to such factors, including local economy, real estate market conditions, special hazards and competition.

In the case of real estate-related debt instruments, changes in the real estate market may adversely affect the value of collateral and thereby lower the value to be derived from a liquidation or foreclosure. In addition, adverse changes in the real estate market increase the probability of default, as the equity in the property declines. Furthermore, certain properties may be suffering varying degrees of financial distress or may be located in economically distressed areas. Loans may become non-performing for a wide variety of reasons, including, without limitation, because the mortgaged property is too highly leveraged (and, therefore, the property is unable to generate sufficient income to meet its debt service payments), the property is poorly managed or because the mortgaged property has a high vacancy rate, has not been fully completed or is in need of rehabilitation. Such non-performing loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, replacement “take-out” financing may not be available when the loan matures.

- **Real Estate – Risk of Delinquency and Foreclosure:** Mortgage loans are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower’s ability to repay the loan may be impaired. Net operating income of an income producing property can be affected by, among other things: tenant mix and success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expenses or limit rents, environmental contamination, uninsured casualties, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, and acts of God, terrorist attacks, social unrest and civil disturbances.

In the event of any such default, the Funds will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the outstanding loan balance. Foreclosure is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the Funds including, without limitation, numerous lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the proceedings and force the lender into a modification of the loan or a favorable buy-out of the borrower’s position. Foreclosure actions can sometimes take several years or more to litigate.

A borrower may file for bankruptcy at any time, which would have the effect of staying foreclosure. The related real estate loan will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy, and the lien securing the real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor in possession to the extent the lien is unenforceable under state law. Bankruptcy can involve substantial legal, professional and administrative costs, be subject to unpredictable and lengthy delays and negatively impact the underlying property. The debt of entities in

bankruptcy will in most cases not pay current interest, and their assets may suffer an erosion of value. During bankruptcy, creditors may not take adverse actions towards the bankrupt entity or its assets without court approval.

- **Private Equity Investments:** The business of investing in leveraged acquisitions, venture capital opportunities and other private equity situations is highly competitive. Identification of attractive investment opportunities by the Funds can be difficult and involves a high degree of uncertainty. Private equity strategies may utilize highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments.
- **Energy Investments:** The Funds invest in energy related assets and projects, which may include businesses or projects that engage in oil and gas exploration and development. Investments in energy assets and projects are subject to various risks, including adverse changes in national and international economic conditions, adverse local market conditions, changes in availability of debt or equity financing, changes in interest rates, energy taxes and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, energy prices, U.S. federal income tax consequences (for energy assets located in the United States), risks associated with operating problems, uninsurable losses and other factors which are beyond the control of the Funds. Such risks may, among other things, increase compliance costs and other costs of doing business. Furthermore, the energy markets may be subject to short-term volatility due to a variety of factors, including weather, international political and economic developments, breakdowns in the facilities for the production, storage or transport of energy and utilities products, acts of terrorism, changes in government regulation and sudden changes in fuel prices.
- **Energy Sector Regulatory Risk.** The profitability of energy companies is expected to be adversely affected by changes in the state, federal, international and multi-national regulatory environments. Energy companies are subject to significant regulation in virtually every aspect of their operations, including with respect to how facilities are constructed, maintained and operated, environmental and safety controls, the use of feedstocks and other inputs as well as processes utilized in the energy sector, the disposal of waste and byproducts, the prices they may charge for the products and services they provide and restrictions on emissions that may be generated. Such regulation can change over time in both scope and intensity. For example, a particular by-product may be declared hazardous by a regulatory agency and unexpectedly increase production costs or require costly delays or shutdowns in order to revamp production techniques to eliminate such hazardous by-product or limit its production. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and could adversely affect the financial performance of energy companies.
- **Control Positions:** The Funds may acquire control positions in certain companies. Additionally, the principals or other officers or employees of the Affiliated Advisers may serve as executive officers or directors of such companies. The exercise of control over a company through a control position, or the service of an officer or employee of the Affiliated Advisers as an officer or director of such company, imposes additional risks of liability for environmental damages, product defects, failure to supervise management,

violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, the Funds would likely suffer losses in their investments.

- **Active Strategies:** Because the Funds' investment strategy may involve taking an active role in influencing the destinies of investee companies, there exists the risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the Funds' purchase of securities and the anticipated results. During this period, a portion of the Funds' capital would be committed to the securities purchased, and the Funds could finance some portion of such purchases with borrowed funds on which they must pay interest. Additionally, if the anticipated results do not in fact occur, the Funds may be required to sell their investments at a loss. Moreover, there may be instances where the Funds will be restricted in transacting in or exiting from a particular investment as a result of their active investment strategy. Because there is substantial uncertainty concerning the outcome of transactions involving companies in which the Funds may invest, there exists a potential risk of loss by the Funds of their entire investment in such companies.

In addition, as a result of the Funds' investment strategies and the possibility that the Funds may participate in restructuring or similar activities, it is possible that the Funds may become involved in litigation (either as a plaintiff or defendant). Litigation entails expense and the possibility of counterclaims against the Funds and ultimately judgments may be rendered against the Funds for which the Funds may not carry insurance.

- **Investment and Trading in Debt Instruments in General:** The Funds may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities when such securities are believed to offer opportunities for capital growth. Such securities may be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments.
- **Leverage:** The Funds may buy securities on margin, borrow from brokers, banks and others on a secured or unsecured basis, and employ derivative instruments in order to obtain leverage so as to increase the amount of capital available for marketable securities investments. The Funds may also achieve leverage in certain transactions through the use of structured products which may include the use of recourse and non-recourse borrowings to the Funds. While leverage can potentially increase returns, conversely, it also has the potential to magnify losses, and therefore the overall losses incurred will be greater than if the Funds had not obtained financial leverage. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to their capital. Consequently, the level of interest rates, generally, and the rates at which the Funds can borrow, in particular, will affect the Funds' operating results. In addition, the Funds may enter into subscription credit facilities with one or more lenders for the purpose of financing investments or paying fund expenses on an interim basis prior to the Funds' receipt of capital contributions. Borrowings under any such subscription credit facility may be secured by the assignment of the undrawn balances of investors.
- **Distressed Investments:** The Funds may invest a portion of their assets in securities of U.S. and non-U.S. companies that are experiencing significant financial or business

difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Such investments involve a substantial degree of risk. The Funds may lose their entire investments, may be required to accept cash or securities with a value less than the Fund's original investment, and/or may be required to accept payment over an extended period of time.

- **High Yield Securities:** The Funds may invest in “high yield” bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration or general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be bought or sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.
- **Defaulted Securities:** The Funds may invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings, and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject the Funds to litigation risks or prevent the Funds from disposing of securities. In bankruptcy or other proceedings, the Funds, as creditors, may be unable to enforce their rights in any collateral or may have their security interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. While the Funds will attempt to avoid taking the types of actions that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Funds will be able to successfully defend against them.
- **Post-Reorganization Securities:** Post-reorganization securities typically entail a higher degree of risk than investments in securities of companies which have not undergone a reorganization or restructuring. Moreover, post-reorganization securities can be subject to heavy selling or downward pricing pressure after the completion of a bankruptcy reorganization or restructuring. If the Funds' evaluation of the anticipated outcome of an investment situation should prove incorrect, the Funds could experience a loss.
- **Risks Associated with Loans to Companies in Distressed Situations:** As part of their lending activities, the Funds may loan to companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns, they involve a substantial degree of risk. There is no assurance that the Funds will correctly evaluate the value of the assets collateralizing their loans or the prospects for a successful reorganization or similar action.
- **General Credit Risks:** While loans by the Funds are intended to be over-collateralized, they may nonetheless be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and

the priority of the lien are each of great importance. The Funds cannot guarantee the adequacy of the protection of their interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Funds cannot assure that claims may not be asserted that might interfere with enforcement of their rights. In the event of a foreclosure, a Fund may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the value of the proceeds and thus increase the loss.

- **Collateralized Loan Obligations.** Collateralized Loan Obligations (“CLOs”) are pools of loans, the debt service on which is repackaged into cash flows payable on different tranches of debt collateralized by each pool. Payments on such debt are dependent on payments on the underlying loans. The CLOs in which the Funds may participate involve substantial organizational, syndication and ancillary fees. The Funds’ investments in CLOs may be subordinate in right of payment to other securities sold by the CLO and not readily marketable. Depending upon the default rate on the collateral of the CLO, the Funds may incur substantial losses on their CLO investments. CLO structures are complex, and the Funds may be subject to a number of as yet unanticipated risks in participating in CLOs.
- **Bank Debt Transactions:** Special risks associated with investments in bank loans and participations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors’ rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Funds to directly enforce their rights with respect to participations. Successful claims by third parties arising from these and other risks, absent bad faith, will be borne by the Funds.
- **Exchange Traded Funds:** The Multi-Strategy Funds may invest in exchange traded funds (“ETFs”) from time to time. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including the expenses associated with ETFs and a number of other factors.
- **Registered Investment Companies:** The Multi-Strategy Funds may invest in “investment companies” that are registered with the SEC pursuant to the ICA (each, a “RIC”). Investments in RICs are often subject to sales charges and charges assessed in connection with selling such an investment prior to the expiration of a set period of time. The Affiliated Advisers will not be required to minimize any such costs. In addition, investments in a RIC will be subject to an additional layer of fees and expenses.
- **Short Sales:** A short sale involves the sale of a security that a Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date

at a lower price. To make delivery to the buyer, a Fund must borrow the security, and will be obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. In the United States, when a short sale is made, the seller must leave the proceeds thereof with the broker and deposit with the broker an amount of cash or United States Government securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

- **Trading in Securities and Other Investments of the Fund May be Illiquid:** Certain investment positions of the Funds may be illiquid. Changes in market conditions may cause sharp changes in the liquidity of investment positions. The Funds may invest in “restricted” or non-publicly traded securities and securities traded on foreign exchanges. The Funds may not be readily able to dispose of such non-publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Positions may become illiquid because, for example, many exchanges limit fluctuations in certain securities or contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Such occurrences could prevent the prompt liquidation of unfavorable positions and subject the Funds to substantial losses. It also is possible that an exchange or regulatory authority may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. Additionally, due to the illiquid nature of some of the positions which the Funds may acquire, as well as the uncertainties of the reorganization and active management process, they may be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.
- **Hedging Transactions:** The Funds may utilize financial instruments such as forward contracts, options, futures and commodities contracts, and interest rate and equity swaps, caps and floors for purposes of establishing arbitrage positions as part of their trading strategies and for purposes of hedging against fluctuations in the relative values of portfolio positions, including fluctuations resulting from changes in currency exchange rates and market interest rates. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Funds to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that they are not able to enter into a hedging transaction at a price sufficient to protect the Funds from the decline in value of the portfolio position anticipated as a result of such a fluctuation.
- **Repurchase Agreements:** When a Fund enters into a repurchase agreement, the Fund “sells” securities to a broker-dealer or financial institution and agrees to repurchase such securities for the sale price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In effect, the Fund borrows funds (which they use to make

investments) and secure the obligation to repay by pledging portfolio securities. In a reverse repurchase transaction, the Fund “buys” securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Fund, plus interest at a negotiated rate. A reverse repurchase transaction is, in economic effect, a short-term loan by the Fund to a broker-dealer or financial institution secured by a pledge or hypothecation of securities held by the broker-dealer or financial institution. The use of repurchase agreements by the Fund involves certain risks. For example, if the seller of securities under a repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the ability of the Fund to dispose of the underlying securities may be restricted. Finally, it is possible that the Fund may not be able to substantiate its interest in the underlying securities. To minimize this risk, the Fund will hold the securities underlying the repurchase agreement in an amount at least equal to the repurchase price, including accrued interest. If the seller fails to repurchase the securities, the Fund may suffer a loss to the extent proceeds from the sale of the underlying securities are less than the repurchase price.

- **Swaps:** The Funds may enter into swap agreements (including total return swaps, broad index swaps and basket swaps) and other types of over-the-counter transactions with broker-dealers or other financial institutions. Depending on their structures, swap agreements may increase or decrease the Funds’ exposure to various securities, commodities, indices, currencies or other investments or units of measure. The values of the Funds’ swap positions would increase or decrease depending on the changes in value of the underlying asset. The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary securities transactions. Swaps involve the risk that the price of the swap used by the Funds to calculate net asset value does not accurately reflect its fair market value, which could have a favorable or unfavorable effect on the Funds’ net asset value. Some swaps are complex and, in the case of bilateral (uncleared) swaps, may be valued based on quotations given by a Fund’s swap counterparty, which has adverse interests to the Fund with respect to the value of the swap. In certain cases related to bilateral (uncleared) swaps, a Fund’s swap counterparty may be the only source of value quotations for a swap, while in other cases, multiple quotes may be available. There are also different methodologies that may be used to determine the value of a credit default swap and credit default swap spreads may be wide. As a result of the foregoing factors, a Fund may not be able to close out swaps at the price used by the Fund to calculate its net asset value. Also, under certain circumstances related to bilateral (uncleared) swaps, if a swap counterparty undervalues a Fund’s interest in a swap, it could require the Fund to transfer greater amounts of collateral to the counterparty than if the swap was valued at fair market value. Because the master and credit support agreements for bilateral (uncleared) over-the-counter swap transactions are individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (e.g., the definition of default) differently when a Fund seeks to enforce its contractual rights. If that occurs, the Fund may be forced to seek to enforce its contractual rights through legal proceedings, which may be costly and time consuming. There is currently little case law characterizing swaps and other derivatives, interpreting their provisions and characterizing their tax treatment. There can be no assurance that future decisions construing similar provisions to those in many of the Funds’ swap agreements or other related documents or additional regulations and laws governing such derivatives will not have a material adverse effect on the Funds.

- **Forward Currency Contracts:** The Funds may, primarily for purposes of hedging against currency fluctuations, invest in forward currency contracts, but there can be no assurance that such hedging transactions will be effective. It is also possible that the Funds may use currency contracts as part of trading strategies intended to take advantage of price differentials between currencies or fluctuations in currency prices. Forward currency contracts may not be liquid in all circumstances so that in volatile markets, to the extent the Funds wish to do so, they may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. The closing out of a forward currency contract has the effect of wholly or partially neutralizing the sensitivity of a forward currency position with respect to exchange rate fluctuations from the time of closing out until the maturity date of the initial forward currency position. Net settlement of the forward currency contracts takes place on the respective maturity dates. Further, closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance, however, that the Funds will be able to close out their obligations. If they cannot do so, the Funds will take delivery and may suffer a loss. Moreover, the potentially unlimited fluctuation in value of a forward currency contract creates an ongoing greater potential financial risk than does purchasing options contracts, where the exposure is limited to the cost of the initial premium.
- **Portfolio Turnover:** Short-term market considerations are frequently involved in implementing the investment strategy of the Funds. As a result, the portfolio turnover of the Funds is expected to be substantially greater than the turnover rates of other types of private investment vehicles.
- **Registration of Aircraft:** Aircraft leases invested in by the Funds require the aircraft to be registered with the appropriate governmental civil aviation authority. If an aircraft were to be operated without a valid registration, the aircraft carrier or, in some cases, the owner might be subject to penalties, which could constitute or result in a lien being placed on such aircraft. Lack of registration could have other adverse effects, including inability to operate the aircraft and loss of insurance.
- **Government Regulation of Aircraft:** In addition to the general aviation authority regulations and requirements regarding maintenance, aircraft may be subject to further maintenance or modification requirements imposed by airworthiness directives or similar requirements issued by aviation authorities. Airworthiness directives and similar requirements typically set forth particular special maintenance actions or modifications to certain aircraft types or models that the owners or operators of aircraft must implement.

Each aircraft lessee is generally responsible for complying with all or a substantial portion of airworthiness directives with respect to its aircraft and is required to maintain the aircraft's airworthiness. However, if an aircraft carrier fails to satisfy its obligations, or if the Funds have obligations as to airworthiness directives (or similar requirements) under a lease or if the aircraft is not subject to a lease, the Funds may be forced to bear (or, to the extent required under the relevant lease, to share) the cost of any airworthiness directive's compliance.

- **Funding of Aircraft Maintenance; Maintenance Reserves:** The standards of maintenance observed by aircraft lessees and the condition of the aircraft at the time of sale or lease may affect future values and rental rates. Aircraft carriers are generally responsible

for maintenance and compliance with governmental requirements, including maintenance and registration requirements and airworthiness directives. Failure of an aircraft carrier to perform required maintenance during the term of a lease could result in a diminution in value or a potential grounding of the aircraft, and will likely require the Funds to incur maintenance and modification costs upon the expiration or earlier termination of the lease, which costs could be substantial, to restore the aircraft to an acceptable condition prior to re-leasing or disposition. There can be no assurance that the Funds' cash flow and available liquidity reserves will be sufficient for required maintenance, particularly as a leased aircraft ages.

- **Aircraft Liabilities, Loss and Insurance:** While it is not anticipated that the Funds will directly control the operation of an aircraft, by virtue of holding title an aircraft owner may be subject to liability for losses resulting from an aircraft carrier's operation of the leased aircraft. There can be no assurance that insurance purchased to cover resulting losses will be sufficient to cover all types of claims that may be asserted against the Funds, or that an aircraft carrier will fulfill its indemnification obligations under the lease.
- **Aircraft Fuel Costs:** Fuel costs represent a major expense for aircraft operators. Fuel prices fluctuate widely depending primarily on international market conditions, geopolitical and environmental events and currency exchange rates. As a result, fuel costs are generally not within the control of aircraft carriers and significant changes could have a material adverse effect on their operating results. In addition, natural disasters can significantly affect fuel availability and prices.
- **Aircraft Lessee Defaults and Other Credit Problems:** The ability of an aircraft carrier to perform its obligations under a lease will depend primarily on the aircraft carrier's financial condition, which may be affected by factors beyond the Funds' control, including: competition, fare levels, passenger air travel and air cargo demand, geopolitical and other events, including war, acts of terrorism, outbreaks of communicable diseases and natural disasters, operating costs, availability and cost of jet fuel and general economic conditions affecting the aircraft carrier's operations, labor difficulties, economic conditions and currency fluctuations in the countries and regions in which the aircraft carrier operates and governmental regulation of or affecting the air transportation business.
- **Aircraft Technological Risks:** The availability for sale or lease of new, technologically advanced aircraft and the imposition of stringent noise or emissions regulations may make certain older aircraft less desirable in the marketplace and therefore may adversely affect the Funds' ability to lease or sell these aircraft at favorable prices.
- **Ability to Debt Finance Aircraft:** There can be no assurance that the Funds will be able to obtain debt financing on satisfactory terms for all or portions of the Aviation Assets portfolio, which could in turn adversely affect investment returns.
- **Appraised Values of Aircraft:** Certain aircraft may be financed under debt facilities that amortize in accordance with the appreciation or depreciation in current market values for the financed aircraft as determined by independent third-party appraisers. There can consequently be no assurance that lease cash flow will be sufficient to service the required principal and interest payments (which will be based on then prevailing interest rates and appraised values).

- **Commercial Aircraft Mortgage Notes:** Investments in commercial aircraft mortgage notes face similar risks as investments in other Aviation Assets and may face additional risks. Bankruptcy and insolvency provisions specifically applicable to aircraft, including Section 1110 of the United States Bankruptcy Code, may delay the ability of the Funds to realize on aircraft loan collateral. The inherent mobility of aircraft may also require the Funds to foreclose or repossess collateral in jurisdictions that do not clearly define the repossession rights and remedies of creditors. If an Aviation Asset securing a mortgage note is foreclosed on, the Funds could become an owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of, or remarketing, the collateral.

Item 9 – Disciplinary Information

None.

Item 10 – Other Financial Industry Activities and Affiliations

The Affiliated Advisers do not have any other financial industry activities, affiliations or arrangements with other financial services companies that pose material conflicts of interest except as described below in the subsection entitled “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Outside Activities.” The Funds currently have accounts with Third-Party Seeded Investment Managers and Third-Party Managers.

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

Code of Ethics

The Affiliated Advisers have written policies and procedures that seek to achieve the following:

- Limit personal securities transactions to avoid any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility; and
- Maintain independence in the investment decision-making process.

Employees may only conduct personal trades with the prior written approval of both of Mr. Nelson Holm, a partner, and Sanjay Konur, a senior trader of Q Investments (and in certain circumstances, the approval of Mr. Raynor and the Chief Compliance Officer (the “CCO”) is also required). None of the employees is generally allowed to trade in any securities in which the Funds currently have a position or are contemplating a position (exceptions to this prohibition are documented by the CCO). Further, an employee may not trade any security without first obtaining a trade approval and generally may not execute purchases and sales in the same security within six months of each other (exceptions to the six month requirement must be approved by Mr. Raynor and the CCO). All trades in the employees’ accounts are subject to periodic verification and review. The foregoing restrictions on employee trading also apply to the accounts of immediate family members, accounts subject to control of the employee of any family member, and accounts in which the employee or any family member has any beneficial interest. However, purchases and sales in an employee’s 401(k) account of pre-approved mutual funds provided as an investment option in the 401(k) plan of an employee are allowed without advance trade-specific approval.

The Multi-Strategy Funds may simultaneously hold debt or equity securities and bank debt of the same company. Particularly because of its position as a holder of a company’s bank debt, a Fund may have access to material nonpublic information about that company. At the same time, events may occur from

time to time with respect to a company that will require action by the Fund, such as a vote, waiver, pay down or draw down. Interaction between certain personnel who participate in making investment decisions about companies and those who receive information about company events consequently will be strictly limited via an information barrier pursuant to which company-specific virtual datarooms will be password protected, and only accessible by information barrier personnel. In addition, the Affiliated Advisers maintain a “restricted list” of those companies with items of information that are tagged for distribution through the information barrier, that is, companies the securities of which the Funds and employees cannot freely trade.

The Advisers’ above-described Code of Ethics may be obtained by contacting Amalgamated at the address or telephone number listed on the first page of this Brochure.

Co-Investments and Rebalancing

To the extent that all of the Multi-Strategy Funds cannot practically invest into an investment because of tax or other legal reasons, Mr. Raynor and/or the other principals may directly or indirectly invest side-by-side with the Multi-Strategy Funds that can invest into such investment (each a “Principal Co-Investment”) to give such principals the same exposure they would have otherwise received if all of the Multi-Strategy Funds had made such investment. The Principal Co-Investment percentage will accordingly be based on the relative amounts of the principals’ capital in, and co-invested with, the Funds, on the one side, and on the capital of the Funds able to make such investment, on the other side. The intention of the foregoing is to allocate each transaction fairly relative to the parties’ respective proportions of commonly invested capital.

Monthly rebalancing, as described below, of the ownership of each trading entity (including the Master Fund and the Parallel Master Fund) and such other entities that the Multi-Strategy Funds collectively invest into will also include entities with a Principal Co-Investment. See “Item 12 – Brokerage Practices – Cross Trades and Other Inter-Fund Transactions.”

See “Item 12 – Brokerage Practices – Principal Trades” for a discussion of the Affiliated Advisers’ procedures regarding principal trades.

Side Letters

The Funds, and in certain cases the Affiliated Advisers, have the discretion to waive or modify certain provisions as described in the offering memoranda of the Funds or grant special or more favorable rights with respect to any provision. Other than with respect to an offer made in 2007 to certain then-current investors in the Multi-Strategy Funds to charge no Management Fee in exchange for an increase in the Incentive Fee to 25%, side letters do not cover fees. Instead, the side letters address non-fee items such as notices of certain events, redemption terms, and other matters. No such agreement will necessarily entitle any other investor to the same terms of investment.

Outside Activities

Mr. Raynor and other senior members of Q Investments’ management team work essentially full time on behalf of the Affiliated Advisers, but occasionally they encounter various investment opportunities that are not suitable for the Funds’ investment strategies and, in such cases, may make personal investments in them.

For example, Mr. Raynor currently owns a majority interest in a Texas state savings bank, Texas Exchange Bank, SSB (the “Bank”), along with other senior members of Q Investments’ management team

who have minority interests in the Bank. Certain employees of Q Investments are also employees of the Bank, and certain employees and operational groups of Q Investments provide consulting and/or support services to the Bank, and vice versa. For example, Mr. Raynor, Brandon Johnson (a Q Investments partner), and Noel Nesser (Q Investments' Chief Administrative Officer) also serve as dual employees of the Bank. As a further example, two Bank employees (its President and Chief Credit Officer) provide consulting services to the Affiliated Advisors.

The Bank invests primarily in levered loans and CLOs. The Multi-Strategy Funds also invest in levered loans and CLOs. Generally, the Bank can accept a lower spread for its levered loan and CLO assets because of its lower funding rate and therefore invests in levered loans and CLOs with a lower spread than those the Multi-Strategy Funds typically would invest in. However, on occasion, both the Bank and the Multi-Strategy Funds invest in the same levered loan or CLO, and in such an event, the applicable Affiliated Advisers use established guidelines and procedures for appropriately allocating such investments between the Bank and such Multi-Strategy Funds. Unlike the Multi-Strategy Funds, the Bank also takes bank regulatory considerations into account in determining whether to invest in or dispose of levered loans and CLOs.

The Bank also originates small and middle-market loans, which are primarily secured by real estate ("Bank Assets"). Currently, the Bank Assets in which the Bank primarily invests do not meet the size criteria, spread criteria, or investment focus of the Funds. For example, in contrast with typical loans invested in by the Funds, a loan originated by the Bank generally has a small principal amount, is illiquid during the term of the loan and has a spread below the Funds' spread criteria. Accordingly, the Funds do not currently invest in Bank Assets, but they may do so in the future in the event the Affiliated Advisers' assessment of market conditions and investment opportunities changes. In that event, the Affiliated Advisers will use established guidelines and procedures for appropriately allocating such investments between the Bank and the applicable Funds. The Funds may invest in lower middle market companies via loans, unsecured bonds and/or equity-linked securities ("Lower Middle Market Investments"). These Lower Middle Market Investments generally have a spread significantly in excess of Bank Assets and contain securities in which banks generally cannot invest.

Certain employees of the Affiliated Advisers and their affiliates are also employees of the Bank, and certain employees and operational groups of the Affiliated Advisers provide consulting and/or support services to the Bank, and vice versa. For example, Mr. Raynor, another Q Investments partner, and Q Investments' Chief Administrative Officer also serve as dual employees of the Bank. As a further example, the Bank's President and Chief Credit Officer provide consulting services to the Affiliated Advisers.

Another such example is Triple Net, which is operated by affiliates of the Affiliated Advisers for the benefit of Mr. Raynor and certain other principals and employees of Q Investments. Triple Net primarily makes acquisition and construction loans to real estate developers and lease arbitrageurs ("Construction Loans"), as well as engages (and has engaged) in development projects in which it acquires real property for the purpose of "build-to-suit", "reverse-build-to-suit" or ground lease development or lease arbitrage ("Development Projects"). Currently, the Construction Loans and Development Projects do not meet the size criteria or investment focus of the Funds. For example, a typical Construction Loan invested in Triple Net or a Development Project undertaken by Triple Net is generally significantly smaller than the typical loan made by or project undertaken by the Funds, although Triple Net may occasionally invest in a Construction Loan or undertake a Development Project that is relatively larger than Triple Net's typical investments. Accordingly, the Funds do not currently make Construction Loans or undertake Development Projects, but they may do so in the future in the event the applicable Affiliated Advisers' assessment of market conditions and investment opportunities changes. In that event, the Affiliated Advisers will use established guidelines and procedures for appropriately allocating such loans or projects between Triple Net and the applicable Funds.

Other such investments of Mr. Raynor and the senior members of Q Investments' management team include investments (either directly or indirectly through investment vehicles) in real estate and early-stage companies in the form of venture capital financing. Additional personal investments may be made in the future. Mr. Raynor and such other persons may spend a portion of their time on such personal investments.

Conflicts of Interest Relating to IPO Investing; OUAT

Background. For approximately the past 18 years, the Affiliated Advisers have not allocated any equity IPOs to the Multi-Strategy Funds even though they had the ability to purchase such IPOs. The Affiliated Advisers determined 18 years ago, and currently believe, that (a) IPO investing is inconsistent with the Multi-Strategy Funds' core investment strategy, (b) many of the Multi-Strategy Funds' investors (including the Affiliated Advisers) are ineligible to be allocated income related to IPOs and (c) IPO investing would entail significant and expensive administrative burdens and legal risks for the Multi-Strategy Funds because of the annual tracking, certification and "look through" requirements under FINRA rules. At the present time, the Affiliated Advisers plan to continue their policy of not allocating equity IPOs to the Multi-Strategy Funds.

Despite the Multi-Strategy Funds not having invested in IPOs for the past 18 years, the Affiliated Advisers continue receiving opportunities to invest in equity IPOs, which arise primarily as a result of the active business the Affiliated Advisers conduct with broker-dealers participating in such offerings, as well as a byproduct of the relationships that the Affiliated Advisers develop during the course of their business. In the year 2000, which was approximately the same time the decision was made to not have the Multi-Strategy Funds invest in IPOs, an Affiliated Adviser created a specialty fund Underwater Aviation to take advantage of the opportunity to invest and trade in IPOs, as well as engage in some short term equity trading. Underwater Aviation presently has no ineligible investors and no institutional investors, thereby avoiding the administrative burdens described above.

Investors in Underwater Aviation are (a) individuals, including business and community leaders, with whom the Affiliated Advisers maintain business and personal relationships, and (b) OUAT. None of the Affiliated Advisers, their principals, employees or entities associated with any of the foregoing (other than OUAT) has or will invest in Underwater Aviation.

Underwater Aviation. Underwater Aviation is a specialty fund that invests in certain IPO opportunities made available to the Affiliated Advisers from time to time and engages in certain short term equity trading. Underwater Aviation does not make other investments or overlap in investment strategy or methodology with the Multi-Strategy Funds. Unlike the Multi-Strategy Funds, Underwater Aviation investment decisions are made based on technical factors, rather than the fundamental analysis utilized by the applicable Affiliated Advisers in respect of the Multi-Strategy Funds' portfolio. Underwater Aviation, as a specialty fund with very limited capacity, is not actively marketed, and investors in the Funds are generally not also invested in Underwater Aviation. Business and community leaders, as well as friends of the Affiliated Advisers, have invested in Underwater Aviation, and several have sourced transactions or provided investment or industry insight to the Affiliated Advisers, creating substantial investment returns for the Funds.

The decision to admit an investor into any Fund, and how much may be invested, is made by the Affiliated Advisers in their sole and absolute discretion. The Affiliated Advisers' determination to admit such persons as investors in a Fund is highly subjective. There can be no assurance, and there is no requirement, that any such investors in any Fund provide any benefits to the Affiliated Advisers or the Funds. See "--Assistance from Investors."

Moreover, because principals and employees of the Affiliated Advisers and their affiliates either have currently or may build personal relationships with investors in the Funds, principals and employees of the Affiliated Advisers and their affiliates have in the past provided or received personal favors or benefits in the normal course of business such as recreational outings, sports events, legal, medical and educational referrals and the like, and may do so in the future.

While the admission of any particular investor into a Fund may not result in a direct benefit to the Fund, the Affiliated Advisers believe, based on past experience, that their approach to the admission of investors in the Funds is on an overall basis in the best interests of the Fund's investors.

Benefits Related to Brokerage Relationships; Mixed-Use Expenses. While the Multi-Strategy Funds have never invested in IPOs, based on the Affiliated Advisers' determination, among other things, that such investing is inconsistent with both the investment strategy and methodology for the Multi-Strategy Funds, investors should understand that such IPOs are made available to the Affiliated Advisers based on the Affiliated Advisers' overall trading relationships with brokers-dealers, and by far the largest relationships relate to the Multi-Strategy Funds' investment and trading activities. Furthermore, the Multi-Strategy Funds may from time to time engage in a small amount of short-term equities trading in connection with some of the IPOs in which Underwater Aviation invests (as does Underwater Aviation). In each case, such trading is done with the intention of earning a profit, but serves also to reinforce the Affiliated Advisers' relationships with the broker-dealers with which the Multi-Strategy Funds do business. The Affiliated Advisers also may from time to time implement such secondary trading on behalf of the Multi-Strategy Funds not only in equity IPOs but also in new issuances of most other credit products in which they trade, including levered loans, convertible bonds, and high yield bonds. The Affiliated Advisers believe that this secondary market trading activity (along with the way in which the Affiliated Advisers conduct business and work to develop relationships) may enhance investment opportunities shown to the Affiliated Advisers by such broker-dealers in respect of the Multi-Strategy Funds, as well as resulting in new issue opportunities in equities, high yield, levered loans, and convertible bonds.

As is the case with specialty funds in general, to the extent that the Funds do not make use of opportunities outside their stated mandate (i.e., IPOs), the performance of such opportunities inures to Underwater Aviation. Underwater Aviation's IPO investments have performed well in the aggregate. However, as of October 31, 2019, the average amount of each investor's capital in Underwater Aviation has been \$82,000 over its history and its aggregate average capital has been \$1.23 million, so such returns have been produced on very small invested balances. The Affiliated Advisers do not believe such returns are achievable on larger capital balances.

Underwater Aviation pays its own direct costs. It has not charged management or incentive fees, or research related costs. The Affiliated Advisers have determined that any "mixed use" costs (e.g., part-time use of a Bloomberg terminal) are nominal (less than \$1,000 in total) and has not sought to allocate them between the Multi-Strategy Funds and Underwater Aviation. While immaterial, such mixed use costs could be considered subsidized by the Multi-Strategy Funds. During any period in which OUAT invested in Underwater Aviation, it was a substantial or primary beneficiary of the foregoing approach to fees and costs.

Once Upon A Time Foundation. OUAT is a charitable, tax-exempt foundation established and primarily funded by Mr. Raynor. Mr. Raynor is a member of OUAT's board of directors. Two additional employees of Q Investments are members of OUAT's five-member board of directors, and none of these employees receives any compensation from OUAT. OUAT has a history of investing in the investment vehicles sponsored and managed by Mr. Raynor. OUAT first invested in the Multi-Strategy Funds in 2002 and first invested in Underwater Aviation in 2012 (and for much of this period, OUAT was the largest investor in Underwater Aviation).

The Affiliated Advisers view OUAT's investments in Underwater Aviation and the Multi-Strategy Funds as an "alignment of interests" with Underwater Aviation's and the Multi-Strategy Funds' investors. In the past, OUAT's investment in Underwater Aviation, while small, has constituted a greater percentage of Underwater Aviation's assets under management than did its investment in the Multi-Strategy Funds and this is expected to be the case going forward.

Mr. Raynor has contributed the substantial majority of OUAT's assets. To the extent that OUAT is invested in the Funds, including Underwater Aviation, Mr. Raynor could be considered to benefit indirectly from their investment performance (if positive), as he may elect personally to contribute lesser amounts to OUAT. To the extent the Funds generate positive investment returns, Mr. Raynor is incentivized to admit individuals as investors in the Funds who are in a position to enhance his personal reputation in the community, to assist OUAT or with whom he has personal relationships. To the extent that Mr. Raynor's personal reputation is enhanced from the charitable activities of OUAT, or from befriending business and community leaders invested in the Funds, including Underwater Aviation, as described above, Mr. Raynor receives an indirect benefit from OUAT's investments in the Funds. The foregoing indirect benefits to Mr. Raynor represent a potential conflict of interest between the Affiliated Advisers' duties to their respective Funds and Mr. Raynor. However, it should be pointed out that should investment performance of any Funds become negative, then Mr. Raynor's personal reputation may be damaged and any benefits to OUAT may be reversed.

The Affiliated Advisers review their approach to all conflicts of interest regularly, including those relating to Underwater Aviation, and may change their approach to IPO investments should their assessment of the foregoing actual and potential conflicts of interest make such changes advisable in light of their fiduciary duties to investors in the Funds.

Assistance from Investors

From time to time, the Affiliated Advisers may request assistance in relation to business matters or personal matters from one or more investors. Such assistance is not required. The Affiliated Advisers view investors as valuable potential resources and, to the extent the Affiliated Advisers, on behalf of their own interests, or on behalf of a Fund, have the opportunity to utilize investors as a resource, the Affiliated Advisers may do so. Such benefits may flow only to the Affiliated Advisers, or may flow back and forth between the Fund in which such investors are invested and the Affiliated Advisers and/or other Funds or Q Investments entities.

Item 12 – Brokerage Practices

Each Affiliated Adviser selects broker-dealers in accordance with its obligation to seek best execution. In selecting brokers to effect portfolio transactions, the Affiliated Advisers consider many factors such as price, the ability of the brokers to effect the transaction or to facilitate other transactions, the brokers' facilities, reliability and financial responsibility and any research products or services provided by such brokers. Accordingly, if the Affiliated Advisers determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and research products or services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another firm might charge. Research products or services provided to the Affiliated Advisers may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products or services providing lawful and appropriate assistance to the Affiliated Advisers in the performance of their investment decision-making responsibilities. Such brokerage commissions may be paid to brokers who execute transactions for the accounts of the Funds and who supply or pay for the cost of such products or services utilized by the Affiliated Advisers.

The Affiliated Advisers are authorized to direct brokerage to firms which furnish or pay for research, research-related services, and other products and services within the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) permits the use of “soft dollars” in certain circumstances, provided that the Funds do not pay a rate of commissions in excess of what is competitively available from comparable brokerage firms for comparable services, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. Section 28(e) does not provide a “safe harbor” with respect to transactions effected in futures, currencies or certain derivative instruments.

The Funds do not currently use, and do not intend to use, any “soft dollars” to pay for research-related products and services, but may do so at any time.

Portfolio transactions may be executed through any brokerage firms affiliated with the Affiliated Advisers consistent with best execution, and in such cases will be paid brokerage commissions by the relevant Fund.

Principal Trades

To date, affiliate(s) of the Affiliated Advisers have engaged in principal transactions in compliance with Section 206(3) of the Advisers Act in order to offer redeeming investors an opportunity to exit illiquid positions on a completely voluntary basis. Other than as described in the foregoing sentence, none of the Affiliated Advisers conducts principal trades within the meaning of Section 206(3) of the Advisers Act or cross trades that may be deemed to be principal trades. The Affiliated Advisers may conduct principal trades in the future but, in any such event, will establish a procedure to obtain the appropriate consent.

Cross Trades and Other Inter-Fund Transactions

The Affiliated Advisers may determine that a sale of positions from one Fund to another is in the best interests of both. For example, when investors contribute capital or redeem capital from a Fund, the Fund may sell securities to or buy securities from another Fund, or the Funds may sell securities to each other in order to rebalance their portfolios based on each entity’s respective investment strategy. Also, a Fund may acquire investments from unrelated sellers and may re-offer a portion of such investments to one or more Funds that were subject to legal, fiscal or other restrictions on participating in the original transaction. Alternatively, a Fund may acquire an investment from an unrelated seller in anticipation of offering it to another Fund at a future date if the purchasing Fund does not have available capacity to make the investment when it is being marketed by the unrelated seller.

In addition, the Affiliated Advisers will rebalance the ownership of each trading entity and such other entities that the Multi-Strategy Funds collectively invest into (including those with a Principal Co-Investment) on a monthly basis based on the assets under management of each entity so that each of the Multi-Strategy Funds keeps, to the extent practical, its appropriate ownership percentage of the underlying investments. The Affiliated Advisers will use pre-established mechanical formulas and procedures to conduct the rebalancing. Such rebalancing may result in a Fund increasing or decreasing its ownership in a particular investment as of any month-end and will consequently result in changes in the relative ownership percentages of the principals and the Multi-Strategy Funds with respect to any investment in which there is a Principal Co-Investment.

Furthermore, the Affiliated Advisers seek to manage the Multi-Strategy Funds in such a way so that each Fund will have a fair and equitable exposure to investment opportunities that fall within their common investment strategies and objectives, and so that they will all have substantially the same return, when possible. However, there may be times when one Fund cannot invest with the others in an investment

that falls within their common investment strategies and objectives because of tax or other legal reasons. In such situations, the Affiliated Advisers will try to structure the investments in such a way to allow each Fund to participate to the extent economically feasible and legally permissible, and may use such mechanisms as they deem appropriate, including cross trades, derivatives, designated investments, loans and other synthetic exposure mechanisms, to equalize returns among Funds from such investments. Likewise, the Affiliated Advisers may also adjust the relevant proportions of the applicable trading vehicle owned by each Fund to help equalize returns. Such attempts may not always be successful, may result in tax or other costs and risks to various Funds, and may result in some Funds being overweighted and others underweighted in a particular investment or in the ownership of the applicable trading vehicle. While any specific transaction may benefit one Fund more than another, over time, the Affiliated Advisers believe such transactions will result in the fair and equitable treatment of all affected Funds. The Affiliated Advisers will try to minimize the foregoing risks and weighting issues if and when such situations arise.

While transactions between Funds may expand the universe of opportunities that are available to the Funds, the Funds will not necessarily derive a benefit from each such transaction, and the Funds may have divergent interests. Moreover, there may be uncertainties regarding the valuation of investments that are subject to these transactions, or the prices of such trades may be set by the terms of the transaction rather than the market prices of the securities involved. Where required by applicable law or in other appropriate circumstances as determined by the Affiliated Advisers in their sole discretion, the Affiliated Advisers may or may not decide to use independent representatives of the Funds to approve any such transaction in which participating portfolios may have divergent interests. Such transactions may include an investment by the Funds of some or all of their capital in other entities controlled or managed by, or under common control with, the Affiliated Advisers. Such arrangements will never result in the layering of fees.

Capital Introduction

The Affiliated Advisers do not choose brokers because of any capital introduction services offered by such brokers.

Allocation of Investment Opportunities

The Affiliated Advisers seek to allocate investment opportunities to the Funds in a fair and equitable manner, taking into account factors such as legal, regulatory and tax considerations, concentration limitations, availability of capital for investment by the Funds, liquidity concerns, expected realization date, and such other factors as the Affiliated Advisers deem under the particular circumstances to be relevant in making its investment allocation determination; provided, however, that as to any investment opportunity where the foregoing allocation factors are essentially equal as between two Funds, if one has a more focused investment program (*e.g.*, has an investment mandate that is more specialized by targeted asset class or investment opportunity, or otherwise), then the relevant Affiliated Adviser may give such Fund an allocation priority as to such opportunity.

The Affiliated Advisers currently expect at times opportunities in aviation assets (including aviation lending), real estate, and energy related assets could be significant. However, for tax or other legal reasons as determined in the Affiliated Advisers' sole discretion, the Affiliated Advisers may allocate investments in such opportunities (and other opportunities with similar tax or legal characteristics) only to U.S. Multi-Strategy Funds (such funds, the "Onshore Accounts" and such assets, the "Onshore Opportunities"). Such prospective allocations will be made pro rata based only on total capital across all such Onshore Accounts which currently includes all of the Affiliated Advisers' capital allocated to the Multi-Strategy Funds (other than any investment from OUAT – which must continue to invest via non-U.S. Multi-Strategy Funds ("Offshore Accounts")). In the case of certain Onshore Opportunities in which only the Onshore Accounts participate, the Investment Manager may give (and has in the past given) to

non-redeeming investors in the Offshore Accounts the opportunity to participate in such Onshore Opportunities.

However, in order to prevent an excessive portion of the Onshore Accounts' capital from being invested in such Onshore Opportunities, as determined by the Affiliated Advisers in their sole discretion, the Affiliated Advisers or their affiliates may invest a greater percentage of the total capital invested in a particular investment than the percentage described in the preceding paragraph (even up to 100%) with the goal of assuring that investors in both the Onshore and Offshore Accounts do not become substantially out of balance. There is no specific guideline that the Affiliated Advisers intend to follow, however, notwithstanding the foregoing, the Affiliated Advisers intend, generally, to keep at least 50% of the investments in the Onshore and Offshore Accounts in common.

Trade Aggregation

Situations may arise in which the Funds may seek to acquire or dispose of a position, but it is not possible under prevailing market conditions to fill the entire order for more than one of these accounts at the same price that would be obtainable if an order were placed for only one of the accounts. In such situations, whenever transactions are executed on behalf of the Funds, the Affiliated Advisers' policy is to seek an allocation of the trades among the participating accounts in a manner that is fair and equitable under the circumstances. In order to achieve this objective in situations involving contemporaneous trades, the Affiliated Advisers are authorized to arrange for the placement of orders on a combined basis so that participating accounts experience the same average price for the trade. The combination or coordination of orders may not always be feasible, and the timing of trades effected for the Funds may vary for a number of reasons including, but not limited to, the investment objectives and investment restrictions, if any, of the Funds, as well as the liquidity and portfolio composition of those entities.

To the extent that a Fund, on the one hand, and another Fund, on the other hand, transact in the same securities, it may not always be possible or consistent with the investment objectives of the various Funds to take or liquidate the same investment positions at the same time or same price and other conflicts may occur. In general, the Affiliated Advisers will act in good faith in seeking to balance different or conflicting interests of different Funds, although there can be no assurances that such conflicts will not result in adverse or different consequences for different Funds owning different securities of one or more issuer. From the standpoint of the Funds, simultaneous, identical portfolio transactions for the Funds may tend to decrease the prices received, and increase the prices required to be paid, by each of the Funds for its respective portfolio sales and purchases. Where less than the maximum amount of a particular investment to be purchased is available at a favorable price, the investment purchased will be allocated among the Funds on a basis that the Affiliated Advisers believe to be fair and reasonable.

Other Benefits

The overall business of the Funds and the Affiliated Advisers (including but not limited to its or their breadth, history, reputation, or trading commissions) may generate ancillary benefits that flow to one or more of the Funds (or other Q Investments entities), or vice versa, by virtue of the Funds belonging to the Q Investments family. The trading relationships created by one Fund may afford investment opportunities, which may be substantial, to another Fund (or Q Investments entities). Research which flows to one Fund may be used to assist with investment opportunities on behalf of another Fund (or Q Investments business). Funds deposited with banks or prime brokers may enable relationships which generate opportunities for one or more Funds (or other Q Investments entities). Similarly, investments or relationships derived from one Fund may generate benefits for another Fund (or Q Investments entities). Other examples of benefits that may accrue from one Fund to another Fund (or Q Investments entities) include lower financing costs, more access to financing, lower expenses (e.g., accounting, legal expenses),

access to certain securities markets and access to market intelligence (e.g., investment bankers, experts or other dealmakers), improved margin requirements and access to securities lending. The Affiliated Advisers do not seek to value such trading relationships or research, and a Fund will not be reimbursed or be otherwise compensated for the costs of shared research or for opportunities generated for the other Funds (or Q Investments entities).

Trade Errors

Trading, settlement and other investing errors may occur in the normal course of business despite the Affiliated Advisers' best efforts to prevent them. It is the Affiliated Advisers' policy to review such errors that they discover, on a case-by-case basis, and decide what corrective steps to take, if any. The Affiliated Advisers may charge any expenses incurred as a result of these investing errors (which are viewed as being a part of the Funds' regular business activities) to the applicable Funds.

Item 13 – Review of Accounts

The portfolio accounts of the Funds are reviewed daily by the partners, portfolio managers and other investment and middle/back office employees acting on behalf of the Affiliated Advisers. The Funds will provide annual audited financial statements and quarterly individual account statements to their investors.

Item 14 – Client Referrals and Other Compensation

The Affiliated Advisers do not receive payments or other economic benefits in exchange for providing investment advice or advisory services from any person other than the Funds. The Affiliated Advisers also do not currently compensate others for Fund investor referrals.

Item 15 – Custody

Under Rule 206(4)-2 of the Advisers Act, the Affiliated Advisers are deemed to have custody of the securities and other assets of each Fund even though they generally do not physically hold the securities and other assets, and such securities and assets are not held or registered in the names of the Affiliated Advisers. Rule 206(4)-2 imposes certain requirements on registered investment advisers who have actual or deemed custody of client assets; however, the Affiliated Advisers will be exempt from many of the provisions of that rule because each Fund (other than the SPE, Q India, and Q China) will be audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements will be distributed to each investor in the Funds within 120 days (or, as permitted by Rule 206(4)-2 under certain circumstances, 180 days) of the end of each Fund's fiscal year.

The custodian for the SPE (which is not audited) will make available account statements, which should be carefully reviewed and compared against any account statements issued by the Affiliated Advisers.

Item 16 – Investment Discretion

The Affiliated Advisers have full and unlimited discretionary authority to trade and invest on behalf of the Funds in accordance with the investment strategies described in each Fund's offering memorandum and other disclosure.

Item 17 – Voting Client Securities

An investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. Rule 206(4)-6 under the Advisers Act places specific requirements on registered investment advisers with proxy voting authority. Because the Affiliated Advisers have discretionary authority over the securities held by the Funds, they are viewed as having proxy voting authority. Accordingly, the Affiliated Advisers are subject to Rule 206(4)-6. To meet their obligations under the rule, the Affiliated Advisers have adopted written proxy voting policies and procedures, which are designed to ensure that the Affiliated Advisers vote proxies in the best interest of the Funds and address how the Affiliated Advisers will resolve any conflict of interest that may arise when voting proxies.

The general policy of the Affiliated Advisers is to vote proxy proposals, amendments, consents or resolutions relating to client securities in a manner that serves the best interests of the Funds, as determined by the Affiliated Advisers in their discretion, and consider relevant factors, including, but not limited to the impact on the value of the securities, the anticipated costs and benefits associated with the proposal, the effect on liquidity, and customary industry and business practices. A copy of the Affiliated Advisers' proxy voting policies may be obtained by contacting Amalgamated at the address or telephone number listed on the first page of this Brochure.

Item 18 – Financial Information

The Affiliated Advisers do not collect any fees more than three months in advance. The Affiliated Advisers are not aware of any financial condition that is reasonably likely to impair their ability to meet their contractual commitments, and have not been the subject of a bankruptcy proceeding.