

FIRM BROCHURE

Condire Management, LP

1717 McKinney Ave., Suite 850

Dallas, Texas 75202

(214) 572-8940 (telephone)

CRD Number: 311762

This brochure provides information about the qualifications and business practices of Condire Management, LP. If you have any questions about the information contained in this brochure, please contact us at (214) 572-8940. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

Submitted: March 31, 2023

Item 2: Material Changes

The date of our last annual update to our firm brochure was April 28, 2022. There have been no material changes to our firm brochure since the date of our last annual updating amendment. If we make any material changes to our firm brochure in the future, we will revise this item to include a summary of any such changes.

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

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Item 4: Advisory Business

FIRM DESCRIPTION

Condire Management, LP, a Texas limited partnership and private investment advisory firm (“Condire” or “we,” “us,” or “our”), is the management company associated with Condire Investors, LLC (“Condire Investors”), the General Partner of the funds Condire advises. Condire Investors was organized in 2012 to be the general partner in several funds directed by Ryan Schedler and Brad Shisler (the “Condire Principals”), and was formerly a wholly owned subsidiary of CPMG, Inc. (“CPMG”, a registered investment adviser). Effective December 31, 2020, the Condire Principals concluded their employment with CPMG and assumed control of Condire and Condire Investors as part of a transition plan agreement between us and CPMG. As of January 1, 2021, we operate independent of CPMG.

We provide investment management services with respect to affiliated private pooled investment vehicles and generally have full discretionary authority with respect to investment decisions. Our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the applicable offering, governing and/or account documents, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

PRINCIPAL OWNERS

The controlling members of Condire are Ryan E. Schedler and Bradley J. Shisler.

TYPES OF ADVISORY SERVICES

We serve as investment manager to the following affiliated private pooled investment vehicles: Condire Resource Partners, LP, a Texas limited partnership (the “Domestic Fund”), Condire Resource Offshore Partners, Ltd., a Cayman Islands exempted company (the “Offshore Fund” and, together with the Domestic Fund, the “Feeder Funds”), Condire Resource Master Partnership, LP, a Cayman Islands exempted limited partnership (the “Master Fund” and, together with the Feeder Funds, collectively, the “CRP Funds”), as well as, Condire Alpha Partners, LP, a Texas limited partnership (“Condire Alpha”). In addition, we serve as investment manager to Silver Teal, LP, a Texas limited partnership (“Silver Teal (together with CRP Funds and Condire Alpha, the “Funds” and each a “Fund”). One of our affiliates serves as the general partner of the Domestic Fund, the Master Fund, Condire Alpha and Silver Teal. Each of the Feeder Funds invests all or substantially all of its assets in, and conducts its investment activities through, the Master Fund. Accordingly, the Master Fund serves as a centralized investment vehicle for the Feeder Funds and an investment in a Feeder Fund is an indirect investment in the Master Fund.

We serve as investment manager with respect to each of the Funds and are responsible for investing and re-investing the assets of each Fund in securities, financial instruments and/or other assets in accordance with the investment objectives, policies and guidelines set forth in the applicable offering memoranda and/or governing documents. **See Item 8 below.**

We provide investment advice to the Funds in accordance with the investment objectives, policies and guidelines set forth in the offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in the Funds. Investors generally are not permitted to impose restrictions or limitations on the management of the Funds.

ASSETS UNDER MANAGEMENT

Condire had approximately \$1,245,172,421 in regulatory assets under management as of December 31, 2022. This amount consisted of \$1,136,724,018 in CRP Funds, \$73,456,818 in Condire Alpha and \$27,012,012 within Silver Teal. All regulatory assets under management are managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our advisory services, we receive management fees and/or performance-based fees or allocations with respect to the Funds. While our fees are described in detail in the applicable governing, account and/or offering documents, a brief summary of our fees is set forth below.

We generally are entitled to receive a management fee from our clients, at an annual rate of 1.50% per annum of the capital account balance of each limited partner as outlined in each Fund's offering documents.

Management fees generally are payable by investors quarterly, in advance, as of the beginning of each calendar quarter. Management fees are deducted directly from the capital account of each investor. For the avoidance of doubt, the calculation of the management fee is made with respect to each limited partner but is paid at the level of the Master Fund.

In addition, one of our affiliates generally is entitled to receive a performance allocation of 20% of each qualified limited partner's allocable share of net profits for the applicable performance period. Performance allocations are subject to a high water mark limitation.

Performance allocations generally are calculated and accrued on a monthly basis. Performance allocations are crystallized and allocated as of the end of each fiscal year (and at such other times as set forth in the applicable partnership agreement). With respect to certain illiquid or otherwise segregated assets or securities ("Special Investments"), such allocations are not crystallized until the occurrence of a Special Investment "recognition event," as such term is defined in the applicable partnership agreement. Performance allocations are allocated directly from the capital account of each applicable investor.

Each investor is required to certify that it is, among other things, an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended), a "qualified client" (as such term is defined in Section 205-3 under the Advisors Act) and a "qualified purchaser" under the Investment Company Act of 1940, as amended.

Our advisory fees with respect to each investor generally are not negotiable. However, subject to certain conditions and limitations, the management fee and/or performance allocation with respect to any investor have been and may in the future be waived or reduced by us or our affiliate.

OTHER FEES AND EXPENSES

In addition to management fees and/or performance allocations (as applicable), each Fund generally bears all costs and expenses relating to the Fund's activities, including, but not limited to, (i) legal, auditing and accounting expenses (including the maintenance of books and records), (ii) costs for the preparation of the Fund's financial statements, tax returns, and Schedule K-1s, (iii) interest expense, (iv) research expenses, and (v) other expenses associated with the acquisition, holding and disposition of investments. The Funds generally are responsible for and pay all brokerage, borrowings and custodial fees and expenses. **See Item 12 below.**

WITHDRAWALS

Subject to the terms and conditions set forth in the applicable offering documents, each limited partner generally may make a complete or partial withdrawal of its limited partnership interest (except with respect to some Special Investments) as of the close of business on the last business day of any calendar quarter; provided, however a newly admitted limited partner to certain funds may not withdraw some or all of its interest prior to the expiration of the twelfth (12th) calendar month-end following the date of contribution of such capital without being subject to an early withdrawal fee equal to 7% of the amount withdrawn. Notice of any requested withdrawal must be in writing and received by us at least forty-five (45) days' prior to the requested withdrawal date.

Management fees with respect to Condire Partners are refunded proportionately as of the date of withdrawal to any limited partner permitted or required to withdraw as of any time other than at the end of a calendar quarter.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

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

Item 6: Performance-Based Fees

PERFORMANCE-BASED FEES

As noted under Item 5 above, certain of our affiliates are entitled to receive performance-based fees or allocations from certain of our clients. Performance-based fees or allocations could motivate us, due to our affiliation with such persons, to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the performance-based fee or allocation may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. In addition, because performance-based fees or allocations with respect to our clients may be calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by us, we face a conflict of interest in valuing those portfolios. Our individual employees and affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflicts. Nevertheless, with respect to the Funds, we do not believe that the performance-based fees or allocations present a material conflict due to the fact that we and our affiliates invest alongside outside investors in each of the Funds. We address this conflict through full and fair disclosure in applicable governing, offering and/or account documents and/or this brochure.

Item 7: Types of Clients

TYPES OF CLIENTS

We currently provide investment advisory services to affiliated private pooled investment vehicles (the Funds). The underlying investors in the Funds are typically institutional investors, including but not limited to foundations and endowments, pension plans, fund of funds, and high net worth individuals. In the future, we may provide investment advisory services to additional private pooled investment vehicles or directly to institutional investors.

ACCOUNT REQUIREMENTS

The minimum initial capital contribution or subscription amount required for an investor in the Funds is generally \$1,000,000, although capital contributions or subscriptions of lesser amounts may be accepted in our discretion (subject to applicable law).

To invest in the Funds, each investor is required to certify that it is, among other things, an “accredited investor” (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended), a “qualified client” (as such term is defined in Section 205-3 under the Advisors Act) and a “qualified purchaser” under the Investment Company Act of 1940, as amended.

Each investor is required to complete and return various subscription documents to the applicable Fund, which are designed to provide the applicable Fund, the administrator, us and our affiliates and agents with important information about the investor. Subscriptions may be accepted or rejected, in whole or in part, in the sole discretion of the general partner or directors of a Fund.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We generally seek to earn a risk-adjusted rate of return on capital through fundamental research and portfolio management. The Funds are long/short equity focused pursuing fundamental, deep value investments in the broad resources sector and allied industries. The primary focus is on commodity producers with an emphasis on precious metals, mining, energy and other niche segments that the Investment Manager believes are overlooked by most fundamental investors.

The Funds may purchase or sell short equities, debt securities, derivative instruments and contracts and other investments. The Funds may take positions in companies with various sized market capitalizations, depending upon the Investment Manager's analysis of the particular investment opportunity. As a part of their strategy, the Funds may also acquire substantial ownership positions in a company, whether private or publicly traded, and may sell short a substantial percentage of the outstanding shares of a company.

The Funds may also invest in Special Investments. Special Investments may involve the purchase of securities of companies involved in publicly announced corporate transactions such as spin-offs, tender offers, mergers, special dividends, restructuring and liquidations, partnership interest, or a variety of other investment vehicles.

For a more detailed description of the investment strategy applicable to the Funds, please refer to the Fund's governing and/or offering documents.

CERTAIN RISK FACTORS

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

General Economic and Market Conditions. The success of the Funds' activities is affected by general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Funds' investments. Volatility and/or illiquidity could impair the Funds' profitability or result in losses. The Funds could incur material losses even if the Investment Manager reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the investments in which the Funds invests can correlate strongly with each other at times or in ways that are difficult for the Investment Manager to predict. Even a well-analyzed approach may not protect the Funds from significant losses under certain market conditions.

Dodd-Frank Wall Street Reform and Consumer Protection Act. In response to the financial crises of 2008-2009, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in July 2010. The Dodd-Frank Act established a comprehensive framework for the regulation of markets, market participants and financial instruments that were previously unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rulemaking by applicable regulators before becoming fully effective and the Dodd-Frank Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the ultimate impact of the Dodd-Frank Act on the Funds, the Investment Manager, and the markets in which they trade and invest. The Dodd-Frank Act could result in certain investment strategies in which the Funds engages or may have otherwise

engaged becoming non-viable or non-economic to implement. The Dodd-Frank Act and regulations adopted pursuant to the Dodd-Frank Act could have a material adverse impact on the profit potential of the Funds.

The “Volcker Rule” component of the Dodd-Frank Act materially restricts proprietary speculative trading by banks, “bank holding companies” and other regulated entities. As a result, there has been a significant influx of new portfolio managers into private investment funds who had previously traded institutional proprietary accounts. Such influx can only increase the competition for the Funds from other talented portfolio managers trading in the Funds’ investment sector.

Potential for Fraud. Although the Investment Manager intends to conduct due diligence evaluations and investigations on all prospective investments, there is a risk that the Funds will be subject to fraud. There is no assurance the Investment Manager will be able to prevent all types of fraud by parties with whom the Funds and the Investment Manager transact business.

Terrorist Attacks, War and Natural Disasters. Terrorist activities, anti-terrorist efforts, other armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent the Investment Manager and the Funds from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets for the short or long-term in ways that cannot presently be predicted.

Underlying Investment Risks

Investment Risks in General. All securities investments risk the loss of capital. No guarantee or representation is made that the Funds’ program will be successful. The Funds’ investment program involves, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Funds’ activities. Certain investment techniques of the Funds can in certain circumstances substantially increase the impact of adverse market movements to which the Funds may be subject. In addition, the Funds’ investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Funds invests its assets.

The Funds’ methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Financial and Business Risk of Portfolio Companies. Portfolio investments will involve a significant degree of financial and/or business risk. Companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of portfolio companies may depend on their ability to access sufficient sources of equity or debt at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance. Business risks may be more significant in lower middle-market companies or those embarking on a build-up or operating turnaround strategy. Some portfolio companies may operate at a loss or have significant variations in operating results, may be engaged in a rapidly changing business or business environment, may require substantial additional capital to support their operations, finance expansion or maintain their competitive position, may be in an early stage of development or may otherwise have a weak financial position. If for any of these or other reasons a portfolio company is unable to generate cash flow to meet its operating or project expenses and working capital requirements, make principal or interest payments on its indebtedness, or make other required payments on its commitments, the portfolio company’s business, financial condition and prospects could be materially adversely affected and the value of the related portfolio investment could be significantly reduced or even eliminated.

Concentration. The Funds will invest a substantial portion of its portfolio in companies that are in the natural resource sector, however the Funds may make investments in companies in any industry. Additionally, the Funds are not subject to any diversification restrictions and may at times allocate a substantial portion of its capital to a limited number of securities or other investments. This lack of diversification may expose the Funds to substantial losses in the event the mining sector or one or more concentrated positions experience substantial losses. Silver Teal will invest

all or substantially all of its assets in a few securities. As a consequence of this lack of diversification, the aggregate return of the Funds will be substantially adversely affected by the unfavorable performance of the particular securities held by the fund.

Investing in Illiquid and Long-Term Investments. The Funds may invest in less liquid and restricted, as well as thinly-traded, securities (including privately placed and restricted securities), other less liquid assets, including, without limitation, private equity and various types of private mining transactions. The percentage of the Funds' portfolio allocated to such investments is within the Investment Manager's discretion.

The Administrator for the Condire Partnership, Atlas Fund Services (USA) LLC, will determine in good faith the "fair value" of the Funds' investments for accounting purposes using valuation models and market information. The Funds' valuation of its illiquid investments may differ materially from the actual or realizable value of such investments, particularly as certain of such investments may have realization events that cause their value to increase or decrease suddenly.

There may often be no trading market for the Funds' long-term investments, and the Funds might only be able to liquidate these positions, if at all, at disadvantageous prices. There can be no assurance that these valuations will accurately predict the price at which an arm's-length buyer would be willing to purchase the securities.

In regards to Silver Teal, an investment requires a long-term commitment, without any certainty of a return of capital. A limited partner will be committed to Silver Teal, irrespective of the materially adverse changes to the General Partner, the Investment Manager, the Funds, general economic conditions and/or such limited partner's own financial situation.

Commodity Price Volatility Risk. The revenues generated by each portfolio company, if any, may be derived from the extraction and sale of commodities or interests related thereto. Companies operating in the natural resource sector may be affected by fluctuations in the prices of commodities, including, for example, base/precious metals, natural gas and crude oil, in the short- and long-term. Fluctuations in commodity prices would directly impact companies that own such commodities and could indirectly impact companies that engage in transportation, mining, drilling, processing, distribution or marketing of such commodities. Fluctuations in commodity prices can result from changes in general economic conditions or political circumstances, market conditions, weather patterns, domestic mining/production levels, volume of imports, conservation, domestic and foreign governmental regulation, international politics, policies of trade organizations, taxation, tariffs, and the availability and costs of local and interstate transportation methods. The natural resource sector as a whole may also be impacted by the perception that the performance of natural resource sector portfolio companies is directly linked to commodity prices. The effect of these factors on the price of the underlying commodities, and therefore the economic viability of any of a portfolio company's projects, cannot accurately be predicted.

The marketability of any commodities acquired or discovered may be affected by numerous factors which are beyond the control of a portfolio company and which cannot be accurately predicted, such as, with respect to base/precious metals, the proximity to infrastructure and capacity of milling facilities, mineral markets and processing equipment and governmental regulations including regulations relating to royalties, allowable production and importing and exporting of minerals.

General Industry Risks. The Funds may invest in portfolio companies with development stage natural resource projects. Investments in natural resource companies will involve a significant degree of risk. The degree of risk will increase significantly in such instances where the portfolio company's projects are in the exploration as opposed to the development stage.

Foreign Operation Risks. A portfolio company's operations may be affected in varying degrees by foreign government regulations (both local and national), including those with respect to restrictions on foreign investment, production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is frequently in a state of change and new laws, regulations and requirements may be retroactive in their effect and implementation. A portfolio company's operations may also be affected in varying degrees by political and economic instability, economic and other sanctions imposed by other countries, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

Investments in Distressed Issuers. The Funds may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive

or product obsolescence problems and “below investment-grade” debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that the Investment Manager will analyze such investments correctly.

Small and Mid-Capitalization Companies. The Funds may invest a portion of its assets in the securities of companies with small to medium-sized market capitalizations. While the Investment Manager believes such securities often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Regulated Industries. The Funds may invest, directly or indirectly, in industries subject to extensive federal, state and local regulations. Changes in regulations, including restrictions on the manner that such companies carry out their businesses and determine the rates they will charge, may have an adverse impact on the degree to which such investments can fulfill the investment objectives of the Funds. In addition, governmental regulations may not be predictable and may be subject to political, economic, social, and/or market developments. If any of the above-mentioned regulatory issues occur, such investment may not provide the Funds and the investors as good of an overall return on investment as may have been obtained if instead the Funds had been invested in non-regulated industries.

“Event Driven” Investing. The Funds may invest in positions the profitability of which depends on the result of some significant corporate event, for example, a merger, tender offer, exchange offer or liquidation. Corporate events are affected by numerous factors — including not only market movements but also regulatory intervention, investors’ consent and changes in interest rates and economic outlook — that can have an adverse effect on even the most apparently safe risk arbitrage investments. The risk associated with either the consummation or non-consummation of such transactions is high, and unexpected outcomes can lead to substantial losses.

Non-U.S. Investments. The Funds may invest in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds’ investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Funds may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Funds’ rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or Commodity Futures Trading Commission (“CFTC”) or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Funds under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

Interest-Rate Risks. The Funds’ investment program may include investments in debt securities of government and corporate issuers. These and various other assets, as well as the Funds’ borrowings, may subject the Funds to risks

associated with movements in interest rates. For example, the Funds will be required to manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in the Funds' strategy, and credit spread risk, which is the risk that the spreads between yields of differently rated issuers will change in a manner that adversely affects the Funds' portfolio.

Limited Diversification and Risk Management Failures. The Investment Manager intends to cause investments by the Funds to be concentrated in a limited number of investments. As a result, the Funds' portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by the Funds. At any given time, it is possible that the Funds' investments or portfolio risks could be concentrated in only a few industries, companies, countries, asset types, strategies or other areas of risk. This limited diversity could expose the Funds to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Funds faces concentrated exposure to certain risks. In addition, many other investment funds pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses for the Funds.

Control Positions. The Funds may invest in control positions in companies. The exercise of control over a 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, directly, and the investors, indirectly, would likely suffer losses in their investments.

PIPE Investments. The Funds may invest in PIPE transactions. A PIPE (Private Investment in Public Equity) is a private placement of restricted securities (common stock, convertible preferred stock, convertible debentures, warrants or other equity or equity-like securities) of a public company. Typically in such a transaction, the investor enters into a purchase agreement wherein the investor commits to purchase the securities and the public company issuer commits to sell such securities and to file a resale registration statement within a specified period of time covering the resale of the securities that the investor purchased in the private placement. In connection with a PIPE investment, an investor may be obligated to pay all or part of the registration expenses, and, due to delays in the registration process, a considerable period may elapse between the time of the investor's decision to sell and the time such security may be sold under an effective registration statement. If adverse market conditions were to develop during such a period, the investor might obtain a less favorable price than the price it could have obtained at the time of its decision to sell the security. Further, there is no assurance that the public company will satisfy its registration obligation, in which case, the investor may only be able to sell such securities under Rule 144 of the Securities Act. Any such developments may have a material adverse effect on the assets of the Funds.

Equity Securities. The Funds' strategies may be based on attempting to predict the future price level of different equity or equity-related securities. Numerous inter-related and difficult-to-quantify economic factors influence the price of equities; there can be no assurance that the Investment Manager will be able to predict future price levels correctly. The Funds' directional equity positions may be leveraged, and even comparatively minor adverse market movements can result in substantial losses.

Debt Securities. The debt securities in which the Funds may invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In addition to investment grade debt securities, the Funds may invest in low investment grade or non-investment grade debt securities, which are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors that affect equity prices.

The Funds also may invest in certain hybrid debt instruments, such as convertible bonds and syndicated loans, which are subject to unique risks in addition to overall interest-rate movements and the issuers' ability to repay the debt in accordance with its terms.

Convertible Securities. The Funds may invest in convertible securities of portfolio companies. Convertible securities are bonds, debentures, notes, preferred stocks, warrants or other securities that may be converted into or exchanged for a specified amount of equity securities of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security generally is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying equity securities). The investment value of a convertible security may be influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security generally is determined by the market price of the underlying equity securities. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying equity securities approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying equity securities while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Funds is called for redemption, the Funds will be required to permit the issuer to redeem the security, convert it into the underlying equity securities or sell it to a third party. Any of these actions could have an adverse effect on the Funds’ ability to achieve its investment objective.

Special Investments. The Funds’ Special Investments may represent unusual profit opportunities, but they may be long-term and wholly illiquid positions. Investors will not be permitted to redeem any portion of a capital account that is allocated to a Special Investment and may have to retain their Special Investment for years after they have otherwise entirely redeemed from the Funds, irrespective of changes in their, or in general, economic conditions.

Short Selling. The Funds’ investment portfolio includes short positions. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales depends upon the Investment Manager’s investment strategy and available opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Strategies. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Funds’ securities or other objective of the Investment Manager; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Investment Manager; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Funds’ position; and (v) default or refusal to perform on the part of the counterparty with which the Funds trade. Furthermore, to the extent that any hedging strategy involves the use of over-the-counter derivative transactions, such a strategy would be affected by implementation of the various regulations adopted pursuant to the Dodd-Frank Act.

Call Options. The Funds may invest in call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause

the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

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

Futures Contracts. The Funds may invest in futures contracts. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Funds' positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures 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. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or from entering into desired trades. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Index Contracts. The Funds may invest in customized instruments as an independent investment or to seek to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of securities, foreign currencies or commodity prices. These hedging strategies may be executed by investors through the use of exchange-traded equity index options or futures contracts or options thereon, standardized or individually negotiated over-the-counter contracts or other forms of derivative contracts (collectively, "index contracts") structured by investment banking institutions.

Index contracts generally have substantial risks associated with them, including possible default by the counterparty to the transaction, illiquidity and, to the extent an investor's view as to certain market movements is incorrect, the risk that the use of such index contracts could result in losses greater than if they had not been used. Moreover, any lack of correlation between price movements of index contracts and price movements in the position of an investor may create the possibility that losses in the value of such investor's position may be greater than the gain on the hedging instrument (or that a gain in such investor's position may be less than the loss on the hedging instrument). In addition, futures and options markets may not be liquid in all circumstances and certain over-the-counter index contracts may have no markets. As a result, in certain markets, an investor might not be able to close a transaction without incurring substantial losses, if at all. To the extent applicable any such result may have a material adverse effect on the financial results of the Funds.

Derivatives In General. The Funds may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Swap Agreements. The Funds may enter into swap agreements and options on swap agreements (“swaptions”). Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. The Funds, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease the Funds’ exposure to, for example, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, credit spreads, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Funds are not limited to any particular form of swap agreement if consistent with the Funds’ investment objective and policies.

Swap agreements tend to shift the Funds’ investment exposure from one type of investment to another. For example, if the Funds agree to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the Funds’ exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Funds’ portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Funds. If a swap agreement calls for payments by the Funds, the Funds must be prepared to make such payments when due. In addition, if a counterparty’s creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Funds.

Whether the Funds’ use of swap agreements or swaptions will be successful will depend on the Investment Manager’s ability to select appropriate transactions for the Funds. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Funds’ portfolio. Moreover, the Funds bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Funds also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Funds to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Funds’ ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

Equity Swaps. The Funds may make use of equity swaps. A swap is a contract under which two parties agree to make periodic payments to each other based on the value of a security, specified interest rates, an index or the value of some other instrument, applied to a stated or “notional” amount. An equity swap is a customized derivative instrument that entitles the counterparty to certain payments on the gain or loss on the value of an underlying equity security. Equity swaps are subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

Repurchase and Reverse Repurchase Agreements. The Funds may enter into repurchase and reverse repurchase agreements. When the Funds enter into a repurchase agreement, it “sells” securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Funds “buy” securities issued 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 Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Funds involves certain risks. For example, if the seller of securities to the Funds under a reverse 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 Funds’ ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Funds may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Funds may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Currency Exchange Exposure. The Funds may invest in portfolio investments denominated in currencies other than the U.S. Dollar. The Funds, however, will value its portfolio investments in U.S. Dollars. The Funds may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that investments suitable for hedging currency or market shifts will be available at the time when the Funds wish to use them, or that hedging techniques employed by the Funds will be effective. Furthermore, certain currency

market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Funds' positions denominated in currencies other than U.S. Dollars will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Other Derivative Instruments. The Funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Funds and legally permissible. Special risks may apply to instruments that are invested in by the Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the Funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Over-the-Counter Transactions. The Dodd-Frank Act includes provisions that comprehensively regulate the over-the-counter derivatives markets for the first time.

The Dodd-Frank Act will ultimately mandate that a substantial portion of over-the-counter derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses. Over-the-counter trades submitted for clearing are subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. Over-the-counter derivatives dealers also typically demand the unilateral ability to increase the Funds' collateral requirements for cleared over-the-counter trades beyond any regulatory and clearinghouse minimums. The CFTC also has imposed margin requirements on non-cleared over-the-counter derivatives and new requirements that apply to the holding of customer collateral by over-the-counter derivatives dealers. These requirements may increase the amount of collateral the Funds is required to provide and the costs associated with providing it. Over-the-counter derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as was widely permitted before the Dodd-Frank Act. This has increased and will continue to increase the over-the-counter derivative dealers' costs, and these increased costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees.

With respect to cleared over-the-counter derivatives, the Funds will not face a clearinghouse directly but rather will do so through an over-the-counter derivatives dealer that is registered with the CFTC or SEC and that acts as a clearing member. The Funds may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse triggered by a customer's failure to meet its obligations to the clearing member.

The CFTC also now requires certain derivative transactions that were previously executed on a bi-lateral basis in the over-the-counter markets to be executed through a regulated futures or swap exchange or execution facility. The SEC is also expected to impose similar requirements on certain security-based derivatives in the near future, though it is not yet clear when these parallel SEC requirements will go into effect. Such requirements may make it more difficult and costly for investment funds, including the Funds, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If the Funds decide to execute derivatives transactions through such exchanges or execution facilities—and especially if it decides to become a direct member of one or more of these exchanges or execution facilities—the Funds would be subject to the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential requirements under applicable regulations and under rules of the relevant exchange or execution facility.

Over-the-counter derivative dealers are now required to register with the CFTC and will ultimately be required to register with the SEC. Registered swap dealers are also subject to minimum capital and margin requirements, business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements further increase the overall costs for over-the-counter derivative dealers, which costs may be passed along to market participants as market changes continue to be implemented. The overall impact of the Dodd-Frank Act on the Funds remains highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime, along with additional, sometimes overlapping, regulatory requirements imposed by non-U.S. regulators.

Risks Related to Investments in the Natural Resources Sector

Exploration, Development and Production Risks. Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to various factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which a portfolio company has a direct or indirect interest will be subject to all of the hazards and risks that are normally associated with the exploration, development and production of base/precious metals and other natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of a portfolio company's exploration projects are successful, there is a degree of uncertainty attributable to the calculation of natural resources and/or corresponding grades being mined/drilled or dedicated to future production. Until natural resources are actually mined/drilled and processed, quantity of reserves should be considered as estimates only. In addition, the quantity of reserves may vary depending on commodity prices. Any material change in quantity of reserves, grade or recovery ratio, may effect the economic viability of the portfolio company's projects. In addition, there can be no assurance that results generated in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Development of a portfolio company's natural resource projects will only follow upon obtaining satisfactory exploration results. Natural resource exploration and development involves a high degree of risk and few projects that are explored are ultimately developed into production. There can be no assurance that a portfolio company's natural resource exploration and development activities will result in any discoveries. The long-term profitability of a portfolio company's operations will be in part directly related to the cost and success of its exploration and development projects, which may be affected by a number of factors. Substantial expenditures generally are required to establish reserves through drilling, to develop metallurgical processes to extract the commodities from the resources and, in the case of new projects, to develop the extraction and processing facilities and infrastructure at any particular site. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that natural resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely or economically attractive basis.

Geographic Concentration Risk; Developing Countries. Certain precious base metals and minerals are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values. The Funds will invest in the securities of companies that have operations in countries with developing economies and are subject to the risks of political and economic instability, including the following: (i) political instability and violence; (ii) war and civil disturbance; (iii) acts of terrorism or other criminal activity; (iv) expropriation or nationalization; (v) changing fiscal, royalty and tax regimes; fluctuations in currency exchange rates; (vi) high rates of inflation; (vii) uncertain or changing legal requirements respecting the ownership and maintenance of mineral properties, mines and mining operations, and inconsistent or arbitrary application of such legal requirements; (viii) underdeveloped industrial and economic infrastructure; (ix) corruption; and (x) unenforceability of contractual rights.

Governmental Regulations. Companies in the mining and minerals industry are dependent on obtaining governmental permits or property rights which are unpredictable. Additionally, governments may pass laws and regulations that materially adversely affect the companies in which the Funds invest.

Risks of Base Metals. There are multiple factors that influence base metals prices and make investing in companies that explore or develop base metals projects or produce base metals risky. The supply and demand for base metals influence the level of metals inventory and can be driven by the current stage of the business cycle. Moreover, unpredictable changes in exchange rates will influence prices as base metals are denominated in U.S. Dollars. Fiscal and monetary policies also play a large role in the prices of base metals. Changes in capital spending and exploration will impact new supply, which also influences prices. The possibility of substitution due to higher prices may lead to lower demand in the future. Events based on labor disputes, natural catastrophe events, and power outages can lead to supply disruptions. Higher input costs (i.e., power prices) can lead to higher production costs, which also influence prices. Investment demand from institutional investors looking for diversification may access the commodities markets via index investing, exchange traded funds, managed futures funds, or hedge funds. This flow may have an impact on the price of base metals.

Risks of Investment in the Mining and Minerals Sector. The Funds will invest in securities of companies primarily engaged in exploration, mining, processing, or distribution of precious metals, non-precious metals, and minerals.

The metals and minerals industries could be affected by sharp price volatility caused by global economic, financial, and political factors. Risks incident to mining activities, including trends in industrial production that correlate with demand for a particular mineral, and the availability and cost of substitute materials, resource availability, the worldwide balance of demand and supply, and economic cycles, could also adversely affect the industries. Mining operations are subject to extensive laws and regulations, such as mine closure and mined-land reclamation laws, and may have an adverse impact on mining in jurisdictions with those laws. In addition, the level of mineral reserves in a particular mine are subject to uncertainty, and any estimate of the quantity or grade of the reserve may be inaccurate. As the process of mining depletes mineral reserves, the industry depends upon successful strategies to replenish reserves, including alternative exploration sites and advanced technology that enhances the life of a mine. In its pursuit of investments in companies concentrated in the mining and minerals industry, the Funds may be exposed to the substantial risks of loss inherent in each of the above factors.

Companies in the mining and minerals industry are subject to risks associated with the exploration, development, and production of minerals, including competition for land, difficulties in obtaining required governmental approval to mine land, inability to raise adequate capital, increases in production costs, and political unrest in nations where sources of minerals are located. In addition, the price of precious metals and minerals is subject to wide fluctuations and may be influenced by limited markets, fabricated demand, expected inflation, return on assets, central bank demand, and availability of substitutes. Investments in mining securities related to mining for precious metals involves additional risks and considerations not typically associated with other types of investments, including the following: (i) the risk of substantial price fluctuations of the price of commodities; (ii) unpredictable international monetary policies, and economic and political conditions; and (iii) possible governmental regulation of metal investments. The exploration of mineral properties is highly speculative in nature, involves substantial expenditures and is frequently non-productive. Even if a company discovers a mineral, it usually takes at least several years from the initial phases of exploration until production is possible.

Precious Metals May Have No Numismatic Value. The Funds may make investments in companies or strategies that derive their value, directly or indirectly, from precious metals, which have no numismatic value. Precious metals incur storage costs that are higher than the custody fees paid on financial assets. Prices of precious metals are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. Gold and other precious metals are also subject to governmental action for political reasons. Markets are, therefore, at times volatile, and there may be sharp fluctuations in prices even during periods of rising prices.

Substantial Capital Requirements; Liquidity. A portfolio company may make substantial capital expenditures for the acquisition, exploration, development and production of its mineral properties in the future. A portfolio company may have no current revenue and may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt equity financing is available, that it will be on terms acceptable to the portfolio company. Moreover, future activities may require a portfolio company to alter its capitalization significantly. The inability of the portfolio company to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

General Fund Risks

Risk of Loss. Investors may lose all or substantially all of their investment in the Funds. As was demonstrated by the events of 2008–2009 and resulting losses incurred by a number of investment funds, the Funds may incur substantial or even total losses. To the extent the Funds utilize leverage, the leverage obtained by the Funds correspondingly increases the risk of loss, and also magnifies the Funds’ exposure to market illiquidity.

“Alternative investment strategies,” such as those implemented by the Funds, are subject to a “risk of ruin” — sudden and material losses of which no indication is given in their past performance. This happened in 2008–2009, when numerous leveraged and non-levered strategies incurred unprecedented losses as a result of adverse market movements, the increased cost and reduced availability of leverage and pervasive illiquidity in the markets.

Past Performance is not Indicative of Future Results. The markets in which the Funds operate were severely disrupted in 2008–2009, and may become disrupted again in the future. In any case, results obtained in earlier periods may have little relevance to the results obtained in the current environment. Investors and prospective investors are cautioned that the past performance of the Funds and the Fund Managers is not indicative of the future results of the Funds.

Transfers Restricted. Interests may not be transferred – i.e., assigned, sold, pledged, gifted, hypothecated or otherwise encumbered – without the prior written consent of, and on the terms approved by, the General Partner.

Master-Feeder Fund Structure. The Feeder Funds invest all of its assets in the Master Fund, which has its registered office in the Cayman Islands, except for such assets as the Investment Manager determines are reasonably necessary or appropriate to pay any fees, expenses or other costs related to the Fund. The master-feeder structure, and in particular the existence of multiple investment vehicles investing in the same portfolio (if applicable), presents certain risks to investors. The Master Fund may undertake, or refrain from undertaking, an investment that is more favorable to one of its investing funds than it is to another. Smaller investment vehicles investing in a master fund may be materially affected by the actions of larger investment vehicles investing in the same entity. For example, if a larger investment vehicle redeems from a master fund, the remaining investors may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, a master fund may become less diverse due to a redemption by a larger investor, resulting in increased portfolio risk. Further, a master-feeder structure entails two layers of administrative costs.

Use of Offshore Funds. The corporate records of the Feeder Funds and certain partnership records of the Master Fund are maintained in the Cayman Islands and are not generally available for inspection by investors in the United States. The non-U.S. organization and residence of the Feeder Funds and the Master Fund may make it more difficult for investors to enforce their legal rights than if they were organized and resident in the United States. It may be difficult or impossible for the courts in the Cayman Islands to enforce judgments of U.S. courts for civil liabilities arising under the U.S. securities laws against the Fund or the Master Fund, or to accept jurisdiction of a suit initiated in the Cayman Islands against the Feeder Funds, its Directors or the Master Fund based solely upon claims under the U.S. securities laws. Therefore, it may be difficult for an investor to enforce any rights under the U.S. securities laws against the Feeder Funds or the Master Fund.

Valuation Risks and ASC 820. Although the Administrator attempts to mark the Funds' portfolio to fair value, substantial uncertainty and subjectivity will often exist, particularly for illiquid investments, and even the Administrator's best judgment as to fair value may not accurately reflect the prices at which the Funds could actually purchase or sell such assets. The Administrator determines the fair value of many investments based on a variety of valuation methodologies, which depend on a variety of inherently unreliable estimates and assumptions. The methodologies applied to particular assets or types of assets may vary from case to case and over time depending on a range of factors. A failure to properly value the Funds' assets could have a material adverse effect on the returns earned by investors. Many assets are subject to rapid changes in value caused by sudden company-specific or industry-wide developments. For certain illiquid investments, long periods of time may pass during which the Administrator will have no basis upon which to change the reported value of the investment, with the result that large price movements could occur suddenly when information does become available or an investment is liquidated. Incentive Allocations are calculated based on unrealized gains, on the basis of an estimate of fair value, which could be inaccurate. All values assigned to assets and liabilities by the Administrator and approved by the Investment Manager generally are conclusive and binding on the Funds and all investors. See "Net Asset Valuations."

For purposes of calculating the Funds' Net Asset Value, the Funds' assets and liabilities are valued as described under "Net Asset Valuations." The Funds' annual audited financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Specifically, for purposes of GAAP compliant financial reporting, the Funds are required to follow a specific framework for measuring the fair value of its assets and liabilities and is required to provide certain additional disclosures regarding the use of fair value measurements in its audited financial statements. Financial Accounting Standards Board ("FASB") Codification ("ASC") 820 defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Other valuation-related requirements are contained in other provisions of GAAP and other sections of the codification. Additional FASB Accounting Codification Standards and updates and additional provisions of GAAP that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting.

The Investment Manager believes that the requirements of GAAP, including ASC 820, are consistent with the valuation methodology described below for purposes of calculating Net Asset Value. If, however, the Administrator determines, acting in good faith and on a reasonable basis, that the valuation methodology required under GAAP does not properly reflect the actual fair value of an asset or liability, the Administrator may adjust the value of such asset or liability for purposes of calculating Net Asset Value as it deems necessary to properly reflect fair value, even if such adjustment is inconsistent with GAAP. In such event, the Funds' assets and liabilities will be valued (a) in

accordance with GAAP, solely for purposes of preparing the Funds' GAAP-compliant annual audited financial statements and (b) in accordance with the valuation policies set forth herein (without regard to any inconsistent GAAP requirements), for all other purposes, including without limitation for purposes of calculating Net Asset Value, which, as described herein, is relevant to the calculation of the Management Fee and the Incentive Allocation and the amounts payable by the Funds and the investor in respect of a redemptions.

In order to value the assets and liabilities of the Funds, the Administrator may rely on information provided by the Funds' prime brokers, market makers, independent third party pricing services, other outside parties and, to the extent the Investment Manager is responsible for or otherwise involved in the pricing of the Funds' investments in accordance with the Funds' valuation policy, the employees of the Investment Manager, and such persons may provide inaccurate, incomplete, outdated or otherwise unreliable information. In the case of employees who receive compensation based on the performance of certain investments, such employees may be motivated to provide incorrect valuation information in order to receive inflated or increased compensation. The Funds may be unable to detect every error contained in the valuation information. To the extent the information received by the Funds is inaccurate or unreliable, the valuation of the Funds' assets and liabilities may be inaccurate.

Independence of Class of Interests. There are multiple factors that will cause the performance of each Class of Interests to vary relative to other Classes of Interests. First, each Class of Interests maintains a separate portfolio, which acquires and disposes of its own securities and separately process subscriptions and redemptions. Even though the target weightings for most or all positions in each Class of Interests may be the same, the timing of capital inflows and outflows to each Class of Interests is likely to result in material divergence of the actual weightings of positions held by each Class of Interests at any time. In addition, the Classes of Interests do not adopt uniform target portfolio weightings. For example, the Long Class seeks to have a smaller weighting of total hedge positions and greater exposure to market fluctuations than the Regular Class. Additionally, the Institutional Class seeks to have less exposure than the Regular Class to investment positions (1) with low market liquidity and (2) related to the oil and gas industry. Such variances in the target portfolio weightings should be expected to cause differences in performance between the Classes of Interests. As a result of these and other factors, the performance of the Classes of Interests may, at any time, vary significantly.

Contagion Risk; Single Legal Entity. The Offshore Fund has the power to issue Shares in Classes and Series. The fund documents provide for the manner in which the liabilities are to be attributed across the various Classes or Series (liabilities are to be attributed to the specific Class or Series in respect of which the liability was incurred). However, each Fund is a single legal entity and there is no limited recourse protection for any Class or Series. Accordingly, all of the assets of the Funds will be available to meet all of its liabilities regardless of the Class or Series to which such assets or liabilities are attributable. In practice, cross-Class or cross-Series liability is only expected to arise where liabilities referable to one Class or Series are in excess of the assets referable to such Class or Series and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Funds attributable to other Classes or Series may be applied to cover such liability excess and the value of the contributing Classes or Series will be reduced as a result.

U.S. Dollar Denominated Shares. The Funds are denominated in U.S. dollars. Consequently, investors whose local currency is not the U.S. dollar will be subject to exchange rate risk in relation to the Funds.

Incentive Allocations Calculated Independently. The Incentive Allocation is calculated separately with respect to each Fund, Class of Interest or Series. Consequently, an investor holding multiple Funds, Classes of Interest or Series may be subject to an Incentive Allocation with respect to one Fund, Class or Series even though the overall value of its investment in the Funds has declined. Refer to the specific offering documents for additional information pertaining to Incentive Allocations.

Leverage and Borrowing Risks. The Funds have the power to borrow funds and may do so when deemed appropriate by the Investment Manager, including to enhance the Funds' returns and for cash management purposes (e.g., short-term borrowings to make investments in anticipation of additional Subscriptions and to fund redemptions). The Funds may borrow funds from brokers, banks and other lenders to finance its investing and trading operations, which borrowings may be secured by assets of the Funds. The use of such leverage can, in certain circumstances, maximize the losses to which the Funds' investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or the Funds as a whole is leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Fund's investments could result in a substantial loss to the Funds, which would be greater than if the Funds were not leveraged. Leverage may be achieved through, among other methods, direct borrowing, purchases of securities on margin and the use of

options, futures, forward contracts, repurchase and reverse repurchase agreements and swaps. The access to capital could be impaired by many factors, including market forces or regulatory changes.

The use of margin and short-term borrowings creates several risks for the Funds. If the value of the Funds' securities falls below the margin level required by a prime broker, additional margin deposits would be required. If the Funds are unable to satisfy any margin call by a prime broker, then the prime broker could liquidate the Fund's position in some or all of the financial instruments that are in the Funds' accounts at the prime broker and cause the Funds to incur significant losses. Furthermore, secured counterparties and lenders may have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Funds. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Funds may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults under the Funds' agreements with other brokers, lenders, clearing firms or other counterparties, creating or increasing a material adverse effect on the performance of the Funds.

The purchase of options, futures, forward contracts, repurchase agreements, reverse repurchase agreements and equity swaps generally involves little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to the Funds.

Limited Liquidity. An investment in the Funds provides limited liquidity since interests are not freely transferable and, generally, a limited partner's right to withdraw amounts from its capital account is limited in accordance with the terms of the partnership agreement (as described herein).

In light of the foregoing, investors may not be able to liquidate their investments in the Funds in the event of an emergency or for any other reason, and the interests may not be readily accepted as collateral for a loan. Accordingly, interests should only be acquired by investors willing and able to commit their funds on an illiquid basis for an extended period.

In-Kind Distributions. A redeeming limited partner may, at the Funds' sole discretion, receive securities owned by the Funds in lieu of, or in combination with, cash. Such distributions may include interests in one or more trading vehicles or special purpose vehicles holding financial instruments owned by the Funds or participations therein. To the extent a redeeming limited partner is distributed interests in one or more trading vehicles or special purpose vehicles, such redeeming limited partner will continue to be at risk of the Funds' business (including its credit risk) until all such financial instruments are sold. The value of an in-kind distribution may increase or decrease after the distribution is made and before the security is sold either by the redeeming limited partner, if received directly, or by the Investment Manager or its affiliates, if held through a trading vehicle or special purpose vehicle. In either case, the redeeming limited partner will incur transaction costs in connection with the sale of any such instruments and, in the case of interests in trading vehicles or special purpose vehicles, will bear a proportionate share of the operating and other expenses borne by such vehicle. Instruments distributed in-kind may not be readily marketable. The risk of loss and delay in liquidating these financial instruments will be borne by the limited partner, with the result that such limited partner may ultimately receive less cash than it would have received on the date of redemption if it had been paid in cash. Furthermore, to the extent that a redeeming limited partner receives interests in one or more trading vehicles or special purpose vehicles, such redeeming limited partner generally will have no control over when and at what price the financial instruments in which such vehicles have an interest are sold.

Illiquid Investments. It is possible that some of the Funds' direct investments will not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 or another exemption under the Securities Act. Furthermore, because of the speculative and non-public nature of some of these investments, the Investment Manager may, from time to time, sell or otherwise dispose of investments that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent the Funds from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of the limited partners.

The Funds also intend to hold a portion of its assets as Special Investments, which generally will be even less liquid than other Fund assets.

Failure to Make Capital Contributions. Although it is not anticipated that the Funds will make a meaningful amount of investments with capital call structures, if the Funds fail to make capital contributions to a company when due, the Funds will likely be subject to various penalties, including the possibility of forfeiture of some or all of the Funds'

prior capital contributions to the applicable company. The Funds intend to take any necessary action to prevent its failure to make its capital commitments when due a company.

Liability for Return of Certain Distributions. In the event that the Funds are unable otherwise to meet its obligations, limited partners may be required to repay to the Funds, or to pay to creditors of the Funds, distributions previously received by them to the extent such distributions are deemed to have been wrongfully paid. In addition, limited partners may be required to repay to the Funds any amounts distributed that are required to be withheld by the Funds for tax purposes.

Cybersecurity Breaches. The Funds are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from “hacking” by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Investment Manager and/or the Funds to civil liability as well as regulatory inquiry and/or action.

Information Security - General. The Funds, the Investment Manager, the General Partner, their respective services providers and relevant listing exchanges are heavily reliant upon internet connected information technology systems which are inherently vulnerable to attacks by malicious third parties and unauthorized disclosure due to incorrect configuration, operating error(s), known and unknown vulnerabilities and system behavior(s). Similar types of risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers and cause the Fund’s investment in such portfolio companies to lose value. The Investment Manager and the General Partner have implemented controls which comply with applicable laws and regulations, but they, and the issuers of securities in which the Fund invests, and their respective vendors, are unable to completely prevent unauthorized access to their information systems and may be unable to anticipate evolving threat vectors and as a result be unable to prepare mitigating mechanisms to limit these inherent risks. If an information system compromise or disruption occurs, the Fund, Investment Manager, the General Partner, or the issuers of securities in which the Fund invests may face material increases in their costs associated with response, repair, and mitigation which may result in material adverse consequences for such affected party. Compromise or disruption could also result in the inability of the impacted party to operate its business, violations of applicable laws, regulatory fines, reputational damage, and the compromise of sensitive Investor information resulting in a direct financial loss through identity or account theft. These risks may not be covered by insurance, and insurance policies which do cover such risks may exist only on the surplus lines market and may be subject to extensive exclusions and limitations.

Tax Audits. The Master Fund or the Funds may be audited by U.S. federal, state or other tax authorities. An income tax audit may result in an increased tax liability of the Master Fund or the Funds, including with respect to years when an investor was not a limited partner of the Funds, which could reduce the Net Asset Value of the Master Fund or the Funds and affect the return of all limited partners.

No Tax Advice. The Funds do not provide any form of tax advice to prospective investors. Tax consequences to the Funds and/or any investor associated with the Funds’ investments could be materially adverse to the Funds and/or such investor.

Accounting for Uncertainty in Income Taxes. Accounting Standards Codification Topic No. 740, “Income Taxes” (in part formerly known as “FIN 48”) (“ASC 740”), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the Net Asset Value of the Master Fund or the Funds, including reducing the Net Asset Value of the Master Fund or the Funds to reflect reserves for income or other taxes. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Funds.

Potential Consequence for Shareholders as a Result of FATCA. The Funds may take such action as it considers necessary in relation to a limited partner’s interest or redemption proceeds, as a result of relevant legislation and

regulations, including but not limited to, the U.S. Foreign Account Tax Compliance Act (“**FATCA**”). Such actions may include, but are not limited to the following:

The disclosure by the Funds, the Administrator or such other service provider or delegate of the Funds, of certain information relating to an investor to the Cayman Islands Tax Information Authority or its delegate (the “**TIA**”) or equivalent authority and any other foreign government body as required by FATCA. Such information may include, without limitation, confidential information such as financial information concerning an investor’s investment in the Funds, and any information relating to any limited partners, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.

The Funds may mandatorily redeem any interest held by a limited partner in accordance with the terms of the fund documents and may deduct relevant amounts from a “recalcitrant investor” so that any withholding tax payable by the Funds or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Funds) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by a limited partner to assist the Funds in meeting its obligations pursuant to FATCA may therefore result in pecuniary loss to such investor.

Business and Regulatory Risks of Private Funds. The financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Funds’ exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Investment Manager’s time, attention and resources from portfolio management activities.

Securities, futures and credit markets are subject to comprehensive statutes, regulations and other requirements. The SEC, other regulators and self regulatory organizations and Exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. Additionally, the regulation of the markets in which the Funds may participate is increasing and subject to modification by government and judicial actions. The effects of any changes in law or interpretations of existing laws on the Funds could be substantial and adverse.

The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect (a) the ability of the Funds to pursue their investment strategies and (b) the value of investments held by the Funds. There has recently been an increase in governmental, as well as self regulatory, scrutiny of the alternative investment industry in general. Specifically, the Dodd-Frank Act and other related statutes and regulations impose significant additional regulatory, reporting and recordkeeping requirements on many advisers to private investment funds. Any such changes in the regulation of private funds and their advisers (and various other regulatory changes) may adversely affect the ability of the Investment Manager to manage the Funds or the Funds’ ability to successfully pursue its investment strategies.

While the Funds may be considered similar to an investment company, the Funds are not registered and do not expect to register as such under the Company Act, and, accordingly, the provisions of that act generally are not applicable to the Funds.

This brochure cannot address or anticipate every possible current or future regulation that may affect the Funds, the Investment Manager or their businesses. Such regulations may have a significant impact on the Funds or the operations of the Funds, including, without limitation, restricting the types of investments the Funds may make, preventing the Funds from exercising its voting rights with regard to certain financial instruments, requiring the Funds to disclose the identity of limited partners or otherwise. Prospective investors are encouraged to consult their own advisors regarding an investment in the Funds.

Mandatory Redemptions. The Funds may, on ten (10) days’ written notice, mandatorily redeem all or any portion of the interests held by any limited partner, for any reason, at any time, in whole or in part, including where it determines that it is in the best interest of the Funds or that the Funds could suffer adverse tax, legal or regulatory consequences or its business or reputation could be injured because of a limited partner holding an interest. Any mandatory redemptions will generally be paid in accordance with the redemption procedures set forth herein.

In addition, the Funds may mandatorily redeem all or any part of a limited partner’s interest with all or a portion of the proceeds therefrom paid by the Funds to a U.S. or non-U.S. governmental or regulatory authority or agency, instead

of to the limited partner, if the Funds determine that such payment is required by law, tax or other considerations, or is otherwise necessary or advisable (including circumstances in which the Funds are required by U.S. or non-U.S. law, or agreement with the Treasury or similar U.S. or non-U.S. government division or department, to withhold amounts in respect of such limited partner).

Execution of Trades. In executing transactions on behalf of the Funds, the Investment Manager selects broker/dealers that they believe offer the best net result to the Funds. In making this determination, the Investment Manager take into account, among other items, the price charged (including applicable brokerage commissions or dealer spreads), the size of the order, the difficulty of execution and the operational facilities of the firm involved. Although the Investment Manager intends to seek competitive commission rates and spreads, it may conclude that the payment of the lowest commissions or spreads may not always be consistent with the best interest of the Funds. The Investment Manager also may engage in “soft dollar” arrangements with any of its broker/dealers whereby the Investment Manager may receive research and/or other brokerage services for their use in managing the Funds; provided that the Investment Manager will not knowingly accept any “soft dollar” services which fall outside of the “safe harbor” for “bona fide research services” established by Section 28(e) of the Exchange Act. Such services may include furnishing analyses, reports, and information concerning issuers, industries, securities, geographic regions, economic factors and trends, as well as effecting securities transactions and performing functions incidental thereto (such as clearance and settlement). Any such “soft dollar” arrangements would be entered into by the Investment Manager only in instances where it determines in good faith that such arrangement is consistent with the overall responsibilities of the Investment Manager to the Funds.

Counterparty Risks. Institutions, such as brokerage firms, banks and broker-dealers, generally have custody of the Funds’ portfolio assets and may hold such assets in “street name.” The Funds are subject to the risk that these firms and other brokers, counterparties or clearinghouses with which the Funds deal may default on their obligations to the Funds. Any default by any of such parties could result in material losses to the Funds. Bankruptcy or fraud at one of these institutions could also impair the operational capabilities or the capital position of the Funds. In addition, securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Funds, causing the Funds to be exposed to a credit risk with regard to such parties. The Funds generally will only be an unsecured creditor of its trading counterparties in the event of bankruptcy or administration of such counterparties. In some jurisdictions, the Funds may also only be an unsecured creditor of its brokers in the event of bankruptcy or administration of such brokers. The Funds attempt to limit its brokerage and custody transactions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks, but the collapse in 2008 of the seemingly well capitalized and established Bear Stearns and Lehman Brothers demonstrates the limits on the effectiveness of this approach in avoiding counterparty losses.

The Funds may effect transactions in “over-the-counter” or “inter-dealer” markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated its transactions with a single counterparty or small group of counterparties. See “Brokerage and Custody.”

The Funds may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Funds’ assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Funds and its assets.

The Funds are not restricted from dealing with any particular counterparty or in the size of the exposure which the Funds may provide to a given counterparty. The inability to make “foolproof” evaluations of the financial capabilities of the Funds’ counterparties and the absence of a regulated market to facilitate settlement increases the risk to the Funds.

While the Dodd-Frank Act is intended to bring more stability and lower counterparty risk to the derivatives market by requiring central clearing of certain standardized derivatives trades, not all of the Funds’ trades will be subject to a clearing requirement because the trades are grandfathered or because they are bespoke, or because they are within a

class that is not currently subject to mandatory clearing. Furthermore, it is yet to be seen whether the Dodd-Frank Act will be effective in reducing counterparty risk or if such risk may actually increase as a result of market uncertainty, mutuality of loss to clearinghouse members, or other reasons.

Investment Manager Risks

Anti-Money Laundering. If the Investment Manager, the Administrator or any governmental agency believes that the Funds have accepted Subscriptions by, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of any Cayman Islands, U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, the Funds or such governmental agency may freeze the assets of such person or entity invested in the Funds or suspend their redemption rights. The Funds may also be required to remit or transfer those assets to a governmental agency.

Broad Authority of the Investment Manager. The Investment Management Agreement gives to the Investment Manager broad discretion to conduct the Funds' business, and the Investment Manager (subject to the Investment Management Agreement and applicable law) may exercise this discretion without obtaining the consent of any limited partner. The conduct of the Funds' business will result in the exposure of the Funds' capital to numerous risks (including, without limitation, those set out herein) which may be substantial.

Non-Public or Confidential Information. The Investment Manager and their affiliates may acquire material non-public and/or confidential information that may restrict by law, internal policies or otherwise the Investment Manager from purchasing or selling securities or other assets for themselves or their clients (including the Funds) or otherwise using or receiving such information for the benefit of the Investment Manager, their affiliates or their clients. In order to maintain flexibility to invest in securities without violating securities laws that restrict trading while in possession of material non-public information, the Investment Manager may establish information barriers restricting internal access to certain non-public information. As a result, the Investment Manager may sometimes make investment decisions differently from those it would make if it did not have such access, and such decisions may result in a material loss to the Funds.

Conflicts of Interest of the Fund and its Principals. Various conflicts of interest exist (and may in the future exist) among the Investment Manager, their affiliates and the Funds, including actual and potential conflicts of interest related to fees, portfolio composition and valuation, expense allocation, selection of counterparties and best execution, treatment of other limited partners, limitation of liability, indemnification and outside business activities and personal trading. During the Funds' term, many different types of conflicts of interest may arise and this brochure does not purport to identify all such conflicts. Limited partners ultimately will be heavily dependent upon the good faith of the Investment Manager and their affiliates.

Principals and Employees Affiliated with Public Companies. Our principals and employees may serve as directors, officers or committee members of public companies and in that role may come into possession of material, non-public information. If this occurs, this may limit our ability to enter into or exit a position held by our Funds, which could have a material adverse effect on the Funds' performance.

Dependence on Key Personnel. The Funds depend on the Investment Manager to manage its affairs and depends on each of Ryan E. Schedler and Bradley J. Shisler to devote significant time to the affairs of the Investment Manager and the Funds. The loss of the services of Mr. Schedler, Mr. Shisler or any other key personnel of the Investment Manager could have a material adverse effect on the performance of the Funds.

No Representation. The business terms and structure of the Funds and the Master Fund were not negotiated at arm's-length with each investor. Maples and Calder acts as Cayman Islands counsel to the Master Fund and to the general partner of the Funds. Winstead PC acts as U.S. counsel to the Investment Manager. No separate counsel has been retained to act on behalf of prospective investors or the limited partners. Prospective investors are advised to consult their own counsel with respect to the legal, tax and other implications of an investment in the Funds.

Inherent Limitations of Disclosure. The descriptions in this brochure of the Investment Manager's strategies, the markets in which the Funds trade, the risk factors and conflicts of interest involved in doing so and other aspects of the Funds' operations are subject to material inherent limitations and do not purport to be complete. In investing in the Funds, limited partners are entrusting their capital, on essentially a "blind pool" basis, to the subjective, discretionary market judgment of the Investment Manager trading in changing, volatile and uncertain markets pursuant to strategies which can only be described in broad and non-specific terms in the brochure. No one should invest in

the Funds who is not — irrespective of the disclosures made in the brochure — capable of understanding and evaluating the risks of such an investment.

In regards to Silver Teal, no offering memorandum has been prepared for Silver Teal. Only limited information related to the Silver Teal and an investment in Silver Teal will be provided. The lack of more fulsome disclosure to the Investor relating to Silver Teal's investment strategy, its operations, the investment management experience of the Investment Manager, or any other matters related to the Silver Teal, and its investment opportunity other than the fund documents could result in unforeseen losses to the Investor. The Investor must be fully capable of making an informed investment decision based solely on the information contained in the fund documents in order to make a capital contribution.

Definitive Terms and Conditions. Portions of this brochure describe specific terms and conditions set forth in the Funds' documents and various other documents or agreements. Those descriptions are intended to be summaries only and do not purport to provide comprehensive explanations. Accordingly, statements made in this brochure are subject to the detailed provisions of those documents. Prospective investors are urged to review those documents in their entirety prior to determining whether to invest in the Funds.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT STRATEGIES. PROSPECTIVE INVESTORS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

With respect to the Funds, we and our affiliates are exempt from registration with CFTC as a commodity pool operator pursuant to an exemption provided by CFTC Rule 4.13(a)(3).

AFFILIATED GENERAL PARTNER

Condire Investors, LLC, a Texas limited liability company (the “**General Partner**”), serves as the general partner of the Domestic Fund, the Master Fund, Condire Alpha and Silver Teal. Accordingly, the General Partner relies or will rely on our registration instead of separately registering as an investment adviser with the SEC under the Advisers Act.

ACTIVITIES OF PRINCIPALS

Certain principals and employees may serve as directors, officers or committee members (a “Director”) of companies and their activities on behalf of those companies present certain conflicts of interest (including conflicting fiduciary duties) with respect to clients.

Board fees and stock received (“Director Compensation”) pursuant to serving as a Director at the request of Condire in support of an existing investment will be for the benefit of the relevant investors in accordance with applicable regulations. From time-to-time, the Principals may serve as a Director of companies in which the Funds have no interest, and in which case any Director Compensation will not benefit any of the Funds. In several instances, the Funds may later take an interest in such companies, which presents certain conflicts of interest (including conflicting fiduciary duties) with respect to clients.

Currently, Mr. Schedler or Mr. Shisler serve as Directors (Strategic Metals Ltd., Rockhaven Resources Ltd., and Trifecta Gold Ltd.) where the relationships pre-date investments by the Funds, and in which cases the Director Compensation is retained by the persons serving as Director.

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

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees and principals. Our code of ethics is primarily designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to our clients, require employees to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse, and address certain conflicts of interest that could arise from, among other things, personal trading by our employees. In our code of ethics, we impose certain restrictions on all employees and principals relating to the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Our code of ethics requires pre-clearance and quarterly reporting of most personal securities transactions. In addition, our code of ethics requires that all employees submit an annual report of personal securities holdings, except for certain exempt securities. These quarterly and annual reports are reviewed on a regular basis by the Chief Compliance Officer or his delegate. Further, we maintain certain policies and procedures designed to prevent employees and principals from misusing material non-public information, trading the same security ahead of clients and circulating rumors. A copy of our code of ethics is available upon request.

PERSONAL TRADING

In accordance with our code of ethics, our employees, principals and access persons are allowed to hold and trade securities that are also held by the funds and accounts managed by Condire, but any personal trades of such securities must be approved by the Portfolio Manager and the CCO. Such personal trades may be denied if the Portfolio Manager and CCO determine that those trades could have any detrimental effect on the value of the managed fund or account or could be perceived as “front-running,” which is the practice of attempting to benefit from recommendations to clients. To prevent this practice, we require pre-approval of, and closely monitor, the investments made by our employees, principals and other access persons.

TRANSACTIONS INVOLVING CONFLICTS OF INTEREST

Several of our principals and employees also invest in the Funds as limited partners and may, from time to time, allocate a portion of their compensation to capital contributions to such Funds.

As disclosed above in Item 4, we have caused and may from time to time in the future cause a Fund to invest any portion of its assets in one or more other Funds. We do not currently engage in any principal transactions. Any future principal transactions will be conducted in accordance with Rule 206(3) under the Advisers Acts.

Item 12: Brokerage Practices

SELECTING BROKERAGE FIRMS

In general, we have authority to determine the brokers and other counterparties to be used for client transactions and to negotiate commission rates and other monies paid by clients. We select broker-dealers on the basis of obtaining the best overall terms available, which we evaluate based on a variety of factors, including among other things: the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria. Research and related services furnished by brokers include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; discussions with research personnel; and software, databases and other news, technical and telecommunications services utilized in the investment management process. We may pay a commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage or research services provided by the broker. Selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders are placed with brokers or dealers which we believe to be responsible and provide effective execution of client orders under conditions most favorable to client accounts.

SOFT DOLLAR PRACTICES

As we are permitted to do so by our clients, Condire may use soft dollars generated by client accounts to pay for certain research and/or related services provided by brokers described above. The term “soft dollars” refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, which is paid with brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as market price quotation services).

Using soft dollars to obtain investment research and/or related services creates a conflict of interest between us and our clients. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of clients which paid the commissions and that may primarily or exclusively benefit us. If we are able to acquire these products and services without expending our own resources (including management fees and asset-based fees paid by clients), our use of soft dollars would tend to increase our profitability. Furthermore, we may have an incentive to select or recommend brokers based on our interest in receiving research or other products or services, rather than on our clients’ interest in receiving most favorable execution.

We currently have no existing soft dollar arrangements in place, but may plan to enter into soft dollar arrangements in the future. Generally have the authority to participate in soft dollar arrangements of general availability through brokers that provide us with research and related services as described above. We may cause clients to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits. We will not, however, negotiate higher rates on fees and expenses to be paid by client accounts in exchange for lower rates on fees and expenses to be paid by us.

Any soft dollar benefits generally will be used to service all of our clients. We will seek to allocate soft dollar benefits among clients in a fair and equitable manner under the circumstances, but there can be no assurance that we will be successful in this regard.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We believe that any soft dollars that we receive in connection with client-related matters are within the limitations set forth in Section 28(e) of the Exchange Act.

BROKERAGE FOR CLIENT REFERRALS

In selecting or recommending brokers, we generally do not consider whether we or our related persons receive client or investor referrals from such brokers.

ORDER AGGREGATION

We aggregate client transactions when possible (i.e., generally, buying or selling the same security for multiple clients on the same day), when advantageous to clients, when not favoring certain clients over other clients and when consistent with the duty of best execution. Our primary consideration is fair and equitable treatment of all clients over time (i.e., average pricing, efficient and effective execution pricing), and not simply lowering commissions. Whenever possible, the discretionary purchase or sale (execution) price of a security bought or sold during the same day effected by the same broker-dealer will be equitably averaged and aggregated with similar discretionary purchases and sales for all participating clients, including our related persons.

ALLOCATION OF INVESTMENT OPPORTUNITIES

We generally allocate investment opportunities among Funds with a goal of being fair and equitable over time. Each trade ordered by our authorized employee is for the aggregate number of shares for all applicable Funds. At the conclusion of trading each day, our accountant receives the trade record from both the online trading tools and executing brokers. Our accountant then allocates the number of shares to each applicable Fund using our trade allocation spreadsheet.

Profits and losses from “new issues,” as such term is defined under Financial Industry Regulatory Authority (“FINRA”) rules, are allocated only to investors who have represented that they are eligible to participate in such new issues, as contemplated by applicable FINRA rules.

In allocating investment and trading opportunities among Funds, we will make a determination, exercising our judgment in good faith, as to whether an opportunity is appropriate for each Fund. Factors in making such a determination may include a Fund’s liquidity, overall investment strategy and objectives, the regulatory constraints of the Fund, the composition of the Fund’s existing portfolio, the size or amount of the available opportunity, the characteristics of the securities involved, the liquidity of the markets in which the securities trade, the risks involved, and other factors relating to the relevant Fund and investment opportunity.

TRADE ERRORS

We may from time to time make trade errors in the course of managing the Funds’ investments. Trade errors are not errors in judgement, strategy, market analysis, economic outlook or the like, but rather errors in implementing specific trades which we have determined to make. Examples of trade errors include ordering the wrong quantity of shares to be traded, ordering that securities be traded long rather than short, clerical errors, or a miscommunication with the executing broker.

It is our general practice to require our personnel to make and implement investment management decisions with the utmost care. Nevertheless, if a trade error occurs, we endeavor to correct the error as soon as possible and in a manner that minimizes losses to our clients. We will determine whether the costs arising from trade errors will be borne either by us or by the respective Funds by applying the standard of liability set forth in each Fund’s respective partnership agreement. In general, however, the Funds will bear the cost of any trade errors.

Item 13: Review of Accounts

Our accounting staff and Investment Committee conduct reviews of all Funds and their investments on at least a monthly basis. With respect to accounting matters, we have engaged a nationally-recognized, independent public accounting firm to conduct an annual audit of the Funds. Fund accounts generally are reviewed monthly to verify total securities held in each brokerage account and confirmed with the totals on our in-house portfolio accounting system. Reviews are performed on asset allocations and performance on a regular basis, in order to maintain the consistency of our investment philosophy and strategy. While we generally conduct reviews of Fund accounts and their investments on at least a monthly basis, we may conduct additional or more frequent reviews in the event of certain material events or circumstances, such as market developments, additions or closings of significant positions in the portfolio and withdrawals or contributions of capital by an investor or client. We generally will provide reports and/or other information to clients upon request. We generally provide investors in the Funds annual audited financial statements, monthly and/or quarterly investor statements, quarterly performance reports and annual U.S. income tax information.

Item 14: Client Referrals and Other Compensation

Except as otherwise described in this brochure, we currently do not receive any compensation from any non-client for providing investment advice or other advisory services to our clients.

Condire has engaged Old City Securities LLC (“Old City”) to solicit investors for certain Funds and Condire pays Old City a fee for such referrals. Investors referred by Old City do not pay higher fees as a result of the referral.

Item 15: Custody

We have, or may be deemed to have, custody of the Funds' cash and securities. In accordance with Rule 206(4)-2 under the Advisers Act, the Funds' cash and securities (except for privately placed securities) are held with one or more qualified custodians. We may change the custodians at any time and from time to time without the consent of, or notice to, investors. We have engaged a nationally-recognized, independent public accounting firm to conduct an annual audit of the Funds, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. Qualified custodians do not provide statements directly to investors in the Funds.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

With respect to assets for which we have discretionary authority, we generally have discretionary power and authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of our clients. We generally have authority to determine the broker-dealer, futures commission merchant or other counterparty to be used for client transactions and the negotiation of commission rates and other consideration to be paid by each of our clients.

LIMITED POWER OF ATTORNEY

Each investor in the Funds generally grants us or our affiliate a limited power of attorney to enable us to execute the applicable partnership agreement and certain other documents relating to the Funds on its behalf.

Item 17: Voting Client Securities

VOTING POLICIES

We generally have the authority to vote proxies on behalf of our clients. Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies and procedures. In accordance with such rule, we have adopted proxy voting policies and procedures in our compliance manual. In general, our policy is to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of our clients, as determined in our discretion, and without regard to our own interests. Investors generally may not direct or otherwise influence our vote with respect to any particular proxy solicitation. We may determine not to vote proxies in respect of securities of an issuer if we determine that it would be in the client's overall best interest not to vote. Clients may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

CONFLICTS OF INTEREST

Where a material conflict of interest has been identified, we will take into account the interests of the applicable clients, vote securities in a manner that serves the best interests of such clients, as determined in our discretion, and document the basis for our decision.

Item 18: Financial Information

Not applicable.

General Information

PRIVACY POLICY

We have adopted policies and procedures that we believe are reasonably designed to protect various records and information of clients and investors. Except as set forth in the applicable offering materials and/or account documents and as otherwise authorized by each client and/or investor, private information about clients and investors is disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, attorneys, brokers, custodians, transfer agents and any other parties whose services are necessary or convenient to the operation of the Funds. Notice of our privacy policy is provided to clients and investors and is available to clients and investors upon request.