

Praetorian PR LLC

**CARR 429, KM 4.1, BO. BARRERO
RINCON, PR 00677**

MARCH 2023

This “**Brochure**” provides information about the qualifications and business practices of Praetorian PR LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Paul Zavaliy, by email at **paulzavaliy@pracap.com**. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Praetorian PR LLC is registered as an Investment Adviser with the SEC. Registration as an Investment Adviser does not imply that **Praetorian PR LLC** or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Praetorian PR LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This section discusses material changes since the version that was filed by Praetorian PR LLC with the SEC on October 18, 2022, as an entity that was expected to be eligible for registration with the SEC within 120 days of the approval of such registration. The registration was approved by the SEC and became effective as of November 14, 2022.

As such, the material changes include:

- Praetorian PR LLC is now an investment adviser registered with the SEC.
- An update to the Regulatory Assets Under Management as of December 31, 2022.

This Brochure represents the complete and updated filing of Praetorian PR LLC subsequent to its registration approval. Clients and prospective clients as well as investors and prospective investors should read this Brochure carefully in its entirety.

In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this item.

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Item 4: Advisory Business

Praetorian PR LLC, a Puerto Rico limited liability company formed on July 21, 2021 with a principal place of business in Rincon, Puerto Rico ("**PPR**", or the "**Investment Manager**"), is a registered investment adviser with the SEC.

PPR serves as the investment adviser of the Funds (as defined below) with discretionary trading authority. PPR's investment decisions and advice with respect to the Funds are subject to the Funds' investment objectives and guidelines, as set forth in their respective private placement memorandum or information memorandum, as applicable ("**Offering Documents**").

Praetorian Capital Management LLC, a Delaware limited liability company ("**PCM**" or the "**Manager**"), serves as the manager of the Master Fund (as defined in this Item 4) and the fund manager of the Feeder Fund (as defined in this Item 4). As the manager of the Master Fund, PCM has management authority over the Master Fund. Additionally, the directors of the Feeder Fund have management authority over the Feeder Fund.

The Manager is involved in the day-to-day operations of the Funds and, in conjunction with Funds' administrator, provides certain administrative, accounting, and compliance services to the Funds and to PPR, in exchange for, from PPR, a portion of the management fee that is payable by the Master Fund to PPR.

Praetorian Founder LLC, a Delaware limited liability company and an affiliate of PPR and PCM, is a special member of the Master Fund, and is entitled to an incentive allocation as detailed in Item 6 herein.

PPR, PCM and Praetorian Founder LLC are under common control, with Mr. Harris B. Kupperman holding all of the voting interests therein.

PPR provides discretionary investment management services to the following private, pooled investment vehicles:

- Praetorian Capital Fund LLC, a Delaware limited liability company (the "**Master Fund**")
- Praetorian Capital Offshore Ltd., a Cayman Islands exempted company (the "**Feeder Fund**")

The Master Fund and the Feeder Fund are herein collectively referred to as the "**Funds**" or the "**Clients**". The Feeder Fund invests all of its investable assets into the Master Fund and therefore has the same investment objective and portfolio and trading risks as the Master Fund (see "Risk of Loss Factors" in Item 8 herein).

The Master Fund's members ("**Members**") and the Offshore Fund's shareholders ("**Shareholders**") are hereafter collectively referred to as the "**Investors**," as appropriate.

As of February 28, 2023, the Investment Manager has regulatory assets under management of approximately \$206.2 million, all of which are managed on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Compensation of PPR: Management Fees

The Master Fund pays the Investment Manager (or any other person or entity designated by the Investment Manager) a monthly management fee in advance in an amount equal to approximately 0.1042% (1.25% per annum) of the net asset value of the capital account of each Member, including the capital account of the Offshore Fund (the “**Management Fee**”). The Management Fee is prorated for partial periods and the Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

The Investment Manager and the Manager are authorized to incur and pay on behalf of the Funds all expenses which they deem necessary that are allowed to be borne by the Funds within the terms of the Offering Documents. The Investment Manager, the Manager and any affiliates retained by them will be reimbursed for such operating expenses incurred on behalf of the Funds. However, the Investment Manager or the Manager may waive any such reimbursement with respect to any such expenses.

The Investment Manager and Manager are responsible for all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, computer and other equipment, office supplies, clerical expenses, as well as salaries, bonuses and benefits paid to, or on behalf of, personnel of the Investment Manager, the Manager, or their affiliates. The Investment Manager and the Manager are also responsible for expenses related to communication, research, business travel, entertainment, conferences, analysis software and other data service providers, certain insurance premiums and other services and expenses as further described in the Offering Documents.

The Funds are responsible for all of the ordinary and necessary expenses of their operation including, without limitation, (i) brokerage commissions, interest expenses and other investment-related expenses and charges for transactions in securities and other instruments; (ii) the costs of any agents of the Funds, including legal (including expenses incurred in connection with any litigation involving the Funds) and auditing expenses, accounting, fund administration, and other service provider expenses, custody fees and expenses, expenses incurred with respect to the preparation of annual reports, tax returns, and other financial information; (iii) the costs of any outside financial advisers and consultants engaged by PPR or the Manager in connection with general industry or company analysis (as distinguished from advice regarding the investment of monies of the Funds and other activities in connection with the purposes of the Funds); and (iv) all other ongoing customary costs and expenses associated with the Funds’ administration and operation (including extraordinary expenses), which may include, but shall not be limited to, news, quotation, government fees, insurance premiums of the Funds and the Funds’ pro rata costs of investing through a master fund (if any).

In general, each Member of the Master Fund, including the Offshore Fund, bears their proportionate share of the Master Fund expenses.

Notwithstanding the foregoing, the Manager or the Investment Manager, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Manager or the Investment Manager, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

Neither the Investment Manager, the Manager, nor their employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

Generally, Praetorian Founder LLC (“PF”) is entitled to a performance-based allocation from the Master Fund at the close of each fiscal year equal to 20% of the excess portion of net asset values (including realized and unrealized gains and net of the management fees). The incentive allocation is subject to a loss carryforward provision (commonly known as “high water mark”). This means that the loss (if any) in any fiscal year will be recorded and carried forward to future fiscal year(s). Until the loss carryforward amount has been recovered, PF will not receive the incentive allocation. Investors should refer to the Offering Documents for the detailed description of the performance-based fees.

Performance-based allocation arrangements may create an incentive for the Investment Manager, an affiliate of PF, to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement. In order to address potential conflicts of interest, the Investment Manager established policies and procedures, including, among others, a Code of Ethics, as further described herein in Item 11.

Item 7: Types of Clients

PPR’s clients are, and expected to be, only the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors. Such investors are required to meet applicable eligibility requirements as provided in the Offering Documents.

The minimum initial and additional investment in the Master Fund are U.S. \$5,000,000 and \$25,000, respectively, subject to the sole discretion of the Manager to accept smaller amounts as initial or additional investments. The minimum initial and subsequent investment in the Feeder Fund by each investor are U.S. \$500,000 and U.S. \$25,000, respectively, subject in each instance to the sole discretion of the board of directors to accept lesser amounts or establish different minimum subscriptions in the future, provided that the board will not reduce the minimum initial subscription to below U.S. \$100,000, or such other amount as specified from time to time under Cayman Islands law.

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

PPR may offer any advisory services, engage in any investment strategy and make any investment that it considers appropriate, subject to each Client's investment objectives and guidelines as set forth in its Offering Documents. The investment strategies PPR pursues are speculative and entail substantial risks. Investing in securities involves risk of loss that Clients and the Investors should be prepared to bear. There can be no assurance that the investment objectives of any Client will be achieved.

Methods of Analysis and Investment Strategies

The Investment Manager uses a variety of securities and other instruments to attempt to achieve the Funds' investment objectives. These instruments may include (but will not be limited to) publicly-traded equities and equity equivalents, including, without limitation, capital (common and preferred) stock purchased in the open market, warrants, convertible securities and obligations, private investments in public equity (PIPEs), options and stock index options, futures on stock indices and financial instruments and other securities to hedge existing long and short positions in one or more industry segments, and for non-hedging purposes, securities of companies with limited product lines, markets or financial resources, or which may be dependent upon a limited number of key individuals for management, securities on margin, lending securities or monies, call and put options on securities, money market instruments, including, without limitation, Treasury notes and bills, bonds, certificates of deposit, commercial paper, broker balances, bankers acceptances, repurchase agreements or mutual funds which invest in such securities, commodities, including but not limited to physical commodities, interest rate, foreign exchange, futures contracts on commodities and options and derivatives the value of which may vary based upon the price of underlying commodities' prices. The investment selection strategy will be based upon fundamental research and such other techniques as detailed in the Offering Documents.

Risk Management

Investment in the Funds is speculative and involves a high degree of risk. There is no assurance that the Funds will be profitable. The success of the Funds will depend largely upon the abilities of the management of PPR to discern investment opportunities and the attendant risks related to the strategy of the Funds. There is no assurance that the strategies to be employed by the Investment Manager will achieve attractive returns or be successful. The risks of an investment in the Funds include, but are not limited to, the speculative nature of the Funds' strategies and the charges that the Funds will incur regardless of whether any profits are earned. See "Risk of Loss Factors" in this Item 8. The Investment Manager and/or its principals currently manage or in the future may manage the assets of other clients or accounts that in some respects compete with the Funds for certain investments.

Risk of Loss Factors

An investment in the Funds involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents and the subscription documents. There can be no assurances that the Funds will achieve their investment objectives. An investment in the Funds carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, derivatives, futures and related instruments, including, without limitation, the risks described below. Each

prospective Investor should carefully review the Offering Documents and other documents referred to herein before deciding to invest in the Funds.

Equity Securities. The Investment Manager may cause the Master Fund to hold long and short positions in common and preferred stocks of U.S. and non-U.S. issuers. Equity securities fluctuate in value, often based on factors unrelated to the fundamental economic condition of the issuer of the securities, including general economic and market conditions, and these fluctuations can be pronounced. The Master Fund may purchase securities in all available securities trading markets and may invest in equity securities without restriction as to market capitalization, such as those issued by smaller capitalization companies, including micro-cap companies.

Risks of Commodities. Because of the Master Fund's exposure to commodities, the Funds are subject to a number of specialized risks, including liquidity and credit risks. Also, commodity prices are driven by a wide range of forces, such as weather and geopolitical events, creating substantial supply-demand uncertainties in the marketplace. This can cause individual commodity prices to move sharply higher or lower, exposing the Funds to volatility. Since commodity market returns may not be correlated with the returns of equity and debt markets over the long term, an investment in the Funds may provide useful diversification in an investor's overall portfolio. However, the Funds are not a complete investment program and should not be an investor's sole investment because the Funds' performance is linked to the performance of highly volatile commodities. Investors in the Funds should be willing to assume the greater risks of potentially significant short-term share price fluctuations because of the Funds' investments in commodity-linked equities and currencies. Given the limitations imposed on the Funds' trading of commodity interest positions, the Funds should not be viewed as a vehicle for trading in the commodity futures or commodity options markets.

Risks of Derivatives. The Investment Manager may trade derivatives within the Master Fund, including, without limitation, put and call options, as further described herein. The risks posed by derivatives include (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risks (adverse movements in the price of a financial asset or commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) system risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that the Master Fund faces when it has performed its obligations under a contract but has not yet received value from its counterparty).

Options. The Investment Manager may engage from time to time in various types of options transactions. An option gives the purchaser the right, but not the obligation, upon exercise of the option, either (i) to buy or sell a specific amount of the underlying security at a specific price (the "strike" price or "exercise" price), or (ii) in the case of a stock index option, to receive a specified cash settlement. To purchase an option, the purchaser must pay a "premium," which consists of a single, nonrefundable payment. Unless the price of the securities underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Master Fund may lose the entire amount of the premium. The purchaser

of an option runs the risk of losing the entire investment. Thus, the Master Fund may incur significant losses in a relatively short period of time. The ability to trade in or exercise options also may be restricted in the event that trading in the underlying securities interest becomes restricted. Options trading may also be illiquid in the event that Fund assets are invested in contracts with extended expirations. The Master Fund may purchase and write put and call options on specific securities, on stock indexes or on other financial instruments and, to close out its positions in options, may make a closing purchase transaction or closing sale transaction. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e. a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price.

Hedging Transactions. The Investment Manager may utilize a variety of financial instruments such as derivatives and options, both for investment purposes and for risk management purposes. Hedging also involves special risks including the possible default by the other party to the transaction, illiquidity and, to the extent the Investment Manager's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. The Master Fund may be subject to the risk of the failure or default of any counterparty to the Master Fund's transactions. If there is a failure or default by the counterparty to such a transaction, the Master Fund will have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial position of the defaulting counterparty). The Master Fund may seek to minimize counterparty risk through the selection of financial institutions and types of transactions employed. However, the Master Fund's operational mechanisms may involve counterparty and other risk elements that may create unforeseen exposures. See also "*Options*" in the preceding paragraph in this Item 8.

Futures. The Investment Manager may determine to implement futures trading for investment and/or for hedging purposes, including anticipatory hedging of planned purchases of underlying securities. Futures are standardized exchange-traded contracts which obligate a purchaser to take delivery and a seller to make delivery of a specific amount of an asset at a specified future date at a specified price. No price is paid upon initiation of a futures contract. Rather, the Master Fund is required to deposit margin equal to a percentage of the contract value. The Master Fund will then receive or pay maintenance margin based on the gains or losses experienced on an on-going basis. Futures therefore involve substantial leverage. As a result, the Master Fund can suffer losses that significantly exceed the amount deposited with any of its brokers. Futures positions may be illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as a "daily price fluctuation limits" or "daily limits". Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the futures can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices in various commodities occasionally have moved the daily limit for several days with little or no trading. Similar occurrences could prevent the Master Fund from promptly liquidating unfavorable positions and subject the Master Fund to substantial losses. In addition, the Master Fund may not be able to execute futures contract trades at favorable prices if trading volume is low. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order

immediate liquidation and settlement of a particular contract or order trading in a particular contract be conducted for liquidation only.

Short Selling and Leverage. The Master Fund's investment program will include such investment techniques as short selling and leverage which practices can, in certain circumstances, maximize the adverse impact to which the Master Fund's investments may be subject.

Short Selling. The Master Fund may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. The Investment Manager may adjust the Master Fund's net exposure as it determines to be appropriate in light of market condition. The Investment Manager may apply short positions to seek to take advantage deteriorating fundamentals at the individual security level but may also apply short positions as a hedging technique where the shorts are paired with more fundamentally attractive, historically correlated, long positions. The Investment Manager reserves the right to periodically hedge each Fund long portfolio through short selling sector, industry, and market ETFs, or through the use of several smaller "basket" positions that, in aggregate, the Investment Manager believes, would theoretically hedge individual long positions or long industry or sector exposure. The Investment Manager will generally select both long and short positions in order to seek to minimize general trends affecting the broader equity markets. If the price of the issuer's securities declines, the Master Fund may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the federal securities laws and the various national and regional securities exchanges, which restrictions could limit the Master Fund's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Leverage. The Master Fund may use leverage in its investment program when deemed appropriate by the Investment Manager and subject to applicable regulations. The Master Fund is not subject to any limitations on borrowing or other forms of leverage. Indirect forms of leverage include leverage via short sales or derivative instruments such as options techniques, which have embedded leverage features. Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses. If loans to the Master Fund are collateralized with portfolio securities that decrease in value, the Master Fund may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of the Master Fund, in their sole discretion, may change the leverage limits that they extend to the Master Fund.

Illiquidity of Investments. It may not always be possible for the Master Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits. Realization of value from such investments may be difficult in the short-term or may have to be made at a substantial discount compared to other freely tradable investments. If trading on an exchange is

suspended or restricted, the Master Fund may not be able to execute trades or close out positions on terms that the Investment Manager believes are desirable.

Transaction Expenses. The Investment Manager may make frequent trades in securities. Frequent trades typically result in correspondingly high transaction costs which can affect investment performance.

Purchasing Initial Public Offerings. The Master Fund may purchase securities of companies in initial public offerings or shortly after those offerings are complete. Special risks associated with these securities may include a limited number of shares available for trading, lack of a trading history, lack of investor knowledge of the issuer, and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Master Fund to buy or sell significant amounts of shares without an unfavorable effect on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or near-term prospects of achieving revenues or operating income.

Moreover, the Funds and certain of their Investors are limited as to the amount of new issue allocations they can receive while other Investors are not restricted at all and may be entitled to receive or may actually receive a larger portion of any new issue allocation. Conversely, the Investment Manager may determine to restrict the Fund as a whole from purchasing new issues even though one or more Investors may otherwise be eligible to receive new issue allocations.

PIPEs. The Master Fund may invest in PIPEs. Generally, investors in PIPEs cannot resell the shares until the issuer files its resale registration statement with the SEC. In addition, while there is the potential for PIPE investors to resell (typically discounted) shares for a substantial profit, if, however, investors who purchased the shares all sell within a short time frame, the price of the security can be driven down. In general, the Master Fund values PIPE investments based upon the closing market price on the valuation date of the common stock of the company that issued the PIPE, which price may be adjusted to a lower price, in the Manager's discretion, based on the restriction on marketability of the PIPE.

Investments in Non-U.S. Issuers. The Master Fund may invest in securities and other instruments of certain non-U.S. corporations and countries. Investing in the securities of companies (and governments) in certain countries (such as emerging nations or countries with less well-regulated securities markets than the U.S. or the UK or other European Union countries, for that matter) that involves certain considerations not usually associated with investing in securities of United States companies or the United States government. For instance, there are, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the 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; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict investment opportunities; and in some cases less effective government regulation than is the case with securities markets in the United States.

Certain non-U.S. companies are not subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. There may

also be less publicly available information about non-U.S. companies compared to reports and ratings published about U.S. companies. There may also be less government supervision and regulation of foreign securities exchanges, brokers and listed companies than exists in the U.S. Dividends or interest paid by non-U.S. companies may be subject to withholding and other foreign taxes, which may also apply to capital gains in some countries, and such taxes will decrease the net return on such investments as compared to the Master Fund's investments in domestic companies. Finally, the possibility of expropriations, confiscatory taxation, political, economic or social instability or diplomatic developments could adversely affect assets of the Master Fund held in foreign countries.

Impact of Russia-Ukraine Conflict. The European and global financial markets have recently experienced significant volatility and adverse trends due to concerns about acts of aggression in the Eastern Europe region and related sanctions. These or similar events may further impact other countries in Europe and may affect the value of the Master Fund's investments.

Currency. The Master Fund may invest its assets in instruments quoted or denominated in currencies other than the U.S. dollar or the price of which is determined with reference to currencies other than the U.S. dollar. The Master Fund will, however, value its securities and other assets in U.S. dollars. The Investment Manager may or may not choose to hedge the currency exposure inherent in the Master Fund's investments and, therefore, to the extent unhedged, the value of the Master Fund's assets will fluctuate with U.S. dollar exchange rates as well as the price changes of the Master Fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Master Fund makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Master Fund's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Master Fund's non-U.S. dollar securities.

Investment Concentration. The Master Fund's assets may be invested in the securities of a limited number of issuers. To the extent the Master Fund's investments are concentrated in a single issuer, industry (or sector thereof) and/or geographic region, the Master Fund will be susceptible to a greater degree of risk affecting investments in that issuer, industry and/or region than would otherwise be the case. Such concentration of investments will increase the volatility of the value of the Master Fund's portfolio investments.

Risks of Exchange Traded Funds. The Investment Manager may invest in the securities of exchange-traded funds ("ETFs"). ETF securities represent interests in (i) fixed portfolios of common stocks designed to track the price and dividend yield performance of broad-based securities indices or (ii) "baskets" of industry-specific securities. ETF securities are traded on an exchange like shares of common stock, and the value of ETF securities fluctuates in relation to changes in the value of the underlying portfolio of securities. However, the market price of ETF securities may not be equivalent to the pro rata value of the underlying portfolio of securities. ETF securities may be used to seek to increase total return and/or to manage the Master Fund's exposure to market fluctuation instead of, or in addition to, buying and selling stock. ETF securities are subject to the risks of an investment in a broad-based portfolio of common stocks or, to the risks of a concentrated, industry-specific investment in common stocks. ETF securities are considered investments in registered investment companies.

American Depositary Receipts. The Master Fund may, from time to time, purchase equity and debt securities of non-U.S. issuers. Equity securities may be purchased directly or in the form of American Depositary Shares ("ADRs"). ADRs, which generally are dollar-denominated

receipts issued by domestic banks, represent the deposit with the bank of a security of a foreign issuer, and are publicly traded on exchanges or over-the-counter in the United States. The Master Fund may invest in both sponsored and unsponsored ADR programs. Issuers of securities underlying unsponsored ADRs will not have, and issuers of securities underlying sponsored ADRs may not have, reporting obligations with the SEC.

There are certain additional risks associated with investments in unsponsored ADR programs. Because the non-U.S. company does not actively participate in the creation of an unsponsored program, the underlying agreement for service and payment will be between the depository and the shareholder. The company issuing the stock underlying the ADRs pays nothing to establish the unsponsored facility, as fees for ADR issuance and cancellation are paid by brokers. Investors directly bear the expenses associated with certificate transfer, custody and dividend payment. In an unsponsored ADR program, there also may be several depositaries with no defined legal obligations to the non-U.S. company. The duplicate depositaries may lead to marketplace confusion because there is no central source of information to buyers, sellers and intermediaries. The efficiency of centralization gained in a sponsored program can greatly reduce the delays in delivery of dividends and annual reports.

Suspensions of Trading. Each securities exchange typically has the right to suspend or limit trading in all securities which it lists. Such a suspension would render it impossible for the Investment Manager to liquidate positions and, accordingly, could expose the Master Fund to losses.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an investor's or prospective client's evaluation of the Investment Manager's advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

PPR relies on the exemption from registration as a commodity trading advisor pursuant to CFTC Regulation 4.14(a)(10). PCM has filed for an exemption from registration as a commodity pool operator with respect to the Funds with the National Futures Association pursuant to the Commodity Futures Trading Commission Regulation 4.13(a)(3) of the Commodity Exchange Act, as amended. None of PPR, PCM, or their management persons are registered as broker-dealers, and none of them have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

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

Code of Ethics

PPR has adopted a “**Code of Ethics**” that establishes the standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their positions at the Investment Manager.

The personal trading policy and procedures place restrictions on personal trading of reportable securities by all employees, including that they disclose to PPR on a periodic basis all security accounts and reportable security holdings and transactions, in which an employee has a direct or indirect beneficial ownership. The Code of Ethics requires prior approval from the CCO before any transactions in "covered securities" (as defined in the Code of Ethics) in any personal account of an employee; except for certain exempt transactions, such as non-volitional transactions and purchases of shares in mutual funds or money market funds or broad-based ETFs.

The Code of Ethics has specific provisions relating to identifying potential conflicts of interest. The provisions prohibit employees from directing Client transactions for the purpose of obtaining a personal benefit. They also generally prohibit personal business dealings with Clients or investors without the prior approval of the CCO.

All violations of the Code of Ethics must be promptly reported to the CCO who is primarily responsible for administering and enforcing PPR's Code of Ethics.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any investments in private companies or in IPOs.

The Manager will provide a copy of the Code of Ethics to any Client or prospective Client, or any investor or prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

The Investment Manager is authorized to determine the broker-dealers to be used for executing securities transaction for the Master Fund. In selecting broker-dealers to execute transactions, PPR does not need to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. PPR is not restricted to negotiating "execution only" commission rates; therefore, while not currently anticipated, the Master Fund may be deemed to be paying for research, brokerage or other services (i.e., "soft dollar items") provided by the broker which are included in the commission rate. In selecting brokers and negotiating commission rates, PPR will consider those factors set forth under "*Best Execution*" in this Item 12.

PPR also has the authority to select and appoint custodians of the assets of the Funds. PPR's authority is limited by its own internal policies and procedures and the Funds' investment guidelines as outlined in the Offering Documents.

Best Execution

In selecting an appropriate broker-dealer to effect a trade on behalf of the Master Fund, PPR will seek to obtain best execution (“**Best Execution**,”) meaning, generally, the execution of a securities transaction for the Master Fund in such a manner that a Master Fund’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, PPR will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness, brokerage and research services provided to PPR (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Investment Manager does not intend to use client commissions for “soft dollars” benefits, but will be authorized to do so provided such “soft dollar items” fall within the parameters of the “safe harbor” established by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended.

Item 13: Review of Accounts

The Investment Manager and Mr. Kupperman, its principal, continuously monitor and analyze the transactions, positions, and investment levels of the Master Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Funds’ Offering Documents. In these reviews, the Investment Manager pays particular attention to any changes in the investment’s fundamentals, overall risk management, and changes in the markets that may affect price levels.

Account Reporting

Investors will receive audited financial reports of the Funds with respect to the previous fiscal year within 120 days of a fiscal year-end. Investors may also receive written monthly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter. Interim reports may be made available solely in electronic form on the website of the Funds or the Funds’ administrator.

Item 14: Client Referrals and Other Compensation

The Investment Manager and the Manager do not receive economic benefits from non-clients for providing investment advice and other advisory services. None of the Investment Manager, the Manager, or any of their related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

The Investment Manager is deemed to have custody of Clients’ funds and securities because it and PCM, its affiliate, have the authority to obtain Clients’ funds or securities, for example,

by deducting advisory fees from a Client's accounts or otherwise withdrawing funds from a Client's accounts.

The Investment Manager complies with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the Funds' annual audits by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), PPR or PCM, its affiliate, will distribute the Funds' audited financials to Investors within 120 days of such Funds' fiscal year-end and promptly after completion of final audit upon liquidation of the Funds.

Item 16: Investment Discretion

PPR has full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities as more fully described elsewhere in this Brochure. Prospective investors will be provided with the Offering Documents prior to their investment in the Funds.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the "**proxy voting rule**"), PPR has adopted proxy voting policies and procedures. PPR's policy is generally to not vote proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") since PPR's position sizing is unlikely to represent a significant holding in any given security. In those instances where PPR does vote, it will maintain a log of the vote and a record of how PPR voted.

PPR may take into account all relevant factors, as determined by it in its discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant Client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, the Clients or their Investors may not direct our vote in a particular solicitation.

The Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request to the Manager.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past 10 years.