

JDC – JSC L.P.

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March 21, 2023

This brochure provides information about the qualifications and business practices of JDC – JSC L.P. (“**JDC**” and “**Investment Manager**”). If you have any questions about the contents of this brochure, please contact us at (212) 409-5383. 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.

Registration of an investment adviser does not imply that JDC or any of its principals or employees possess a certain level of skill or training in the investment advisory business or any other business.

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

Item 2. Material Changes

The last update of this Brochure was filed by JDC with the SEC on March 22, 2022.

There have been no material changes since the last update of this Brochure.

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Item 4. Advisory Business

JDC provides investment advisory services to private funds offered to qualified investors. JDC incorporated in April 2017, and has a general partner, JDC/JSC LLC, both entities are controlled by Jon Corzine.

JDC's clients include the JDC – JSC Opportunity Offshore Fund, Ltd. ("**Offshore Fund**") and the JDC – JSC Opportunity Fund, L.P. ("**U.S. Fund**"), which are feeder funds into a master fund, JDC – JSC Opportunity Master Fund, L.P. ("**Master Fund**", together with the Offshore Fund and the U.S. Fund, the "**Funds**" and each a "**Fund**"). The general partner to the Master Fund, Corzine Capital, LLC, is also referred to as "**JDC**".

The Funds are hedge funds that focus on global macroeconomic and event-driven investment strategies, and investment opportunities and themes are generally concentrated in liquid markets. In implementing the strategy, the Funds can invest in long and short positions in equity, debt and hybrid securities, asset-backed securities, currencies, commodities, derivatives (including swaps, futures and options) and other securities and instruments determined by JDC from time to time. The Funds can, but are not required to, engage in hedging. JDC integrates four factors when building a portfolio: investment philosophy, investment process, risk management and people. JDC combines those four aspects, seeking to find the best expressions of fundamental views and capitalize on both temporary and structural market moves due to shifts in global macroeconomic arrangements, geopolitical and policy developments, fundamental supply and demand analyses, and event-driven corporate and government policy actions.

JDC's advisory services to the Funds are detailed further in the offering documents and other operating agreements or governing documents, and are further described below in Item 8 *Methods of Analysis, Investment Strategies and Risk of Loss*. Investors in the Funds participate in the overall investment program for the applicable Fund but can be excused from an investment due to legal, regulatory or other agreed-upon circumstances pursuant to written agreement. Certain investors have entered into side letters that have the effect of establishing rights (including economic or other terms) with respect to their investment.

As described in an SEC order related to the application to register as an investment adviser, JDC will meet the following conditions with respect to its registration: (1) JDC's business, including Mr. Corzine's activities, will be operated consistent with the conditions of, and related undertakings in, the district court consent order reflecting a settlement between Mr. Corzine and the CFTC entered January 5, 2017 ("**Consent Order**") to not engage in activity requiring registration with the Commodity Futures Trading Commission ("**CFTC**"); (2) JDC will not rely on an exemption from registration (as a commodity trading adviser ("**CTA**") or commodity pool operator ("**CPO**")) conditioned on registration with the SEC as an investment adviser; (3) the Chief Compliance Office ("**CCO**") of JDC is responsible for ensuring that the firm's activities are consistent with the conditions of, and related undertakings in, the Consent Order; (4) certain governance provisions related to the maintenance of an advisory board and compliance committee, including that Mr. Corzine does not serve on such governing bodies and that the CCO reports exclusively to the advisory board and other employees may also report concerns directly to the advisory board; (5) certain compliance controls related to custody and cash movements, including that Mr. Corzine does not participate in cash movements and that JDC engage an independent compliance consultant; JDC

will inform and consult with members of the SEC staff if or when the current CCO is replaced, including through the appointment of a full-time CCO; (6) the CCO is responsible for overseeing compliance with these conditions; and (7) JDC discloses these conditions in this brochure and will deliver this brochure to investors in the Fund and clients. The SEC order is available on the SEC's website at: <https://www.sec.gov/rules/other/2019/ia-5315.pdf>.

If any of these conditions are not met, JDC could no longer be able to maintain its SEC registration and would no longer be able to manage all of its current assets. JDC has established policies and procedures designed to prevent violations of the conditions under, and related undertakings in, the Consent Order. The activities that are subject of the Consent Order are described in Item 9 *Disciplinary Information*. And the effect of not seeking to register with the CFTC is described in Item 8 *Methods of Analysis, Investment Strategies and Risk of Loss* at "Restrictions on Registration and Trading". These conditions and restrictions impose constraints on the investments, trading and operations of JDC.

As of December 31, 2021, JDC has \$ 510,111,852 of regulatory assets under management, all managed on a discretionary basis.

Item 5. Fees and Compensation

JDC typically receives a management fee and an incentive allocation in connection with its advisory services. Fees are deducted from assets. Investors in a Fund also bear certain expenses.

Management Fees

The Funds management fee will be equal to 1.75% per annum, payable quarterly in advance. The management fee is prorated with respect to any interests that do not participate in the Funds for the entire quarter.

The management fee payable by certain investors (e.g., employees, affiliates, their family members, any investor) are negotiable and could be reduced, waived, rebated or shared.

Incentive Allocation

The Funds incentive allocation will be equal to 20% of the increase (including realized and unrealized gains and losses) in the net asset value above the high-water mark calculated on an annual basis, absent any redemptions during the year. The incentive allocation is also discussed in Item 6 *Performance-Based Fees and Side-by-Side Management*.

The incentive allocation payable by certain investors (e.g., employees, affiliates, their family members, any investor) are negotiable and could be reduced, waived, rebated or shared.

Other Information

JDC will pay all normal operating expenses (e.g., salaries, benefits and rent) incurred by it incidental to the provision of the day-to-day investment management and administrative services to the Funds (except the fees and expenses of the Funds described in the following paragraph, and liability insurance, a portion of which can be borne by the Funds).

The Funds will bear all other expenses relating to the business and affairs of the Funds including, without limitation: (i) professional fees (e.g., economic and other consultants) incurred in connection with investments (e.g., negotiation and due diligence costs and legal expenses incurred in connection with workouts involving underlying portfolio companies); (ii) expenses of purchasing, carrying and disposing of portfolio positions such as commissions, borrowing charges on securities sold short, interest on margin accounts and other indebtedness; (iii) prime brokerage fees; (iv) custodial fees; (v) litigation, indemnification and other extraordinary expenses, if any; (vi) legal, related governmental and regulatory fees (e.g., Forms 13D, 13F, 13G, 13H and other filings and reports), the preparation and submission of which currently or in the future could be required under applicable law; (vii) audit, tax, accounting, and administration expenses (e.g., middle/back office and/or independent shadow accounting services); (viii) compliance expenses incurred by or in service to the Fund; (ix) market data, modeling, valuation services, order management systems, portfolio management systems, risk management systems and/or independent risk advisory services; (x) research and legal expenses; (xi) administration fees; (xii) the management fee; (xiii) clearing costs; (xiv) exchange fees; (xv) insurance costs (e.g., errors and omissions insurance (subject to applicable law)); (xvi) brokerage fees and bank charges; (xvii) directors' fees and expenses; (xviii) data feeds (including Bloomberg terminals); and (xix) any other expenses related to the purchase, sale, or transmittal of Fund assets (e.g., travel directly related to research or structuring of the Fund's investments). For more information on brokerage fees and other transaction costs, please see Item 12 *Brokerage Practices*.

There is a one-year lock-up period and an associated withdrawal fee, both of which are negotiable and can be reduced or waived with respect to any investor.

Item 6. Performance-Based Fees and Side-by-Side Management

The Funds incentive allocation described in Item 5 *Fees and Compensation* is a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of the assets of the client). As the Investment Manager's only client, the Funds each charge the same performance-based fee, the Investment Manager is not incentivized to favor any client. The payment of the incentive allocation is subject to certain conditions, including that investors earned a predetermined rate of return on their profits, and the payment of a "catch-up" to the Investment Manager (or their designee) as described in the operating agreements and offering documents for each Fund. For more information regarding the specific terms of the incentive allocation, please consult the relevant operating documents for the Funds.

Item 7. Types of Clients

JDC provides investment advice to the Funds. The typical Funds' investors can include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family

offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and can include, directly or indirectly, principals or other employees of JDC and their families.

Private fund clients will be limited to those that qualify for the exception to the definition of investment company provided by Section 3(c)(7) of the Investment Company Act of 1940, as amended (“**Investment Company Act**”). Separately managed accounts are limited to those clients who are qualified institutional buyers (each a “**QIB**”) as defined in Rule 144A under the Securities Act of 1933 (“**Securities Act**”).

The typical minimum initial subscription for investors is U.S. \$1,000,000, however, smaller subscriptions can be accepted.

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

JDC employs global macroeconomic and event-driven investment strategies in the portfolio. The investment strategy seeks to achieve consistent risk-adjusted returns in all market environments through active portfolio management, structured to find investment opportunities through focused analysis and agile execution. Risk management is core to the investment process, and the primary risk management goal for the portfolio is capital preservation.

The portfolio includes investments from across global markets, including emerging markets, and is generally concentrated in liquid markets and primarily in highly liquid instruments. JDC seeks to monitor both temporary and structural moves in the financial markets due to shifts in global macroeconomic arrangements, geopolitical and policy developments, fundamental supply and demand analyses, and event-driven corporate and government policy actions. In implementing the strategy the portfolio can use long and short positions in equity, debt and hybrid securities, asset-backed securities, currencies, commodities, derivatives (including swaps, futures and options) and other securities and instruments as determined from time to time. The Fund can engage in hedging. Trades are scaled in consideration of both confidence level and expected marginal impact on the existing portfolio. The Fund will be subject to certain trading limits with respect to positions that constitute commodity interests. JDC believes this form of active management limits transaction costs and maintains the flexibility to de-risk the portfolio when needed.

Four principles guide the operation of JDC and the building of a portfolio:

- Investment Philosophy: JDC will prioritize preservation of capital and limiting investor drawdowns;
- Investment Process: JDC will use thorough and repeatable research and analysis, based on the daily review of market themes and investments and rankings by risk/reward of identified opportunities;
- Risk Management: JDC will engage a patient and disciplined application of the investment process using applied quantitative and qualitative tools to measure, monitor and analyze risks; in addition, the structure of the Fund is built to require diversification of risks; and

- People: JDC is led by its founder and Chief Investment Officer Jon S. Corzine, and seeks to employ high integrity, intelligent and independent thinkers.

There can be no assurance that the investment objectives of the Fund will be achieved, and investment results can vary substantially over time. Investors are encouraged to refer to the offering documents of the Fund for additional information.

General Market, Investment and Trading Risks

General Investment Risks and Risk of Loss. An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested will be lost. The Fund's investment program could be unsuccessful or the Fund could fail to achieve its targeted returns, and investment results could vary substantially over time.

General Market and Economic Conditions. General economic conditions will affect the Fund's activities. Changing economic, political, regulatory or market conditions, interest rates, general levels of economic activity, the price of securities and debt instruments and participation by other investors in the financial markets will affect the value and number of investments considered and made by the Fund. The value of investments will fluctuate in accordance with changes in the financial condition of portfolio companies and other factors that affect the markets for those securities. Such developments can affect a single company, industry, economic sector or geographic region, or the whole market, and are unpredictable. Every investment has some level of market volatility risk. Economic slowdowns or downturns could lead to financial losses in the Fund's investments, which could adversely impact the Fund's returns.

Institutional Risk. The Fund is dependent on the institutions, including brokerage firms, banks, and other entities, with which the Fund trades, invests, or relies upon for the performance of the assets, and such institutions have in many instances encountered and could continue to encounter financial difficulties, including insolvency, that could impair the operational capabilities or the capital position of the Fund. The Fund is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses. In addition to these risks, there also is the risk that major institutional investors in the Fund might be compelled to redeem from the Fund or that the Fund's counterparties or brokers will be required to restrict the amount of credit previously granted to the Fund due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Fund's portfolio.

Political Risk. Markets in which the Funds are invested or to which the Funds are exposed can experience political uncertainty (e.g., Brexit), that subjects investments to heightened risks, even when made in established markets. These risks include: trade balances and imbalances and related economic policies; greater fluctuations in currency exchange rates such as unfavorable currency exchange rate fluctuations; controls and restrictions on foreign investment, capital controls such as the imposition of exchange control regulation by governments, withholding taxes, and limitations on the repatriation of invested capital and on the Funds' ability to exchange currencies; increased risk of nationalization, greater governmental involvement in the economy such as policies targeting specific industries; greater social, economic, and political instability (including the risk of war or natural disaster); increased risk of default

(by both government and private issuers); less governmental supervision and regulation of the securities markets and participants in those markets; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; slower clearance; and difficulties in obtaining and/or enforcing legal judgments. During times of political uncertainty, these factors can affect the level and volatility of securities, derivatives and currency markets, as well as securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the profitability of the Fund, including its underlying investments, and/or result in losses. There also could be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations can be extremely limited. Markets experiencing political uncertainty can have substantial and, in some periods, extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates could have negative effects on such countries' economies and securities markets. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of individual countries in which investments are made, including expropriation, nationalization or other confiscation could result in loss to the Fund. News and events unique to a country or region can affect the markets and issuers of such country or region, including adverse economic, political or social developments. These same events might or might not necessarily have an effect on similar markets or issuers located outside the relevant country or region. There can be no assurance that adverse political changes will not cause a Fund to suffer a loss of any or all of its investments.

Emerging Global Events. Social, political, economic, and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts, and social unrest) will occur that have significant impacts on issuers, industries, governments, and other systems, including the financial markets. In addition, such events can create significant uncertainties and disruptions (such as restrictions or reductions in the movements of goods or people) in businesses and markets, and cause an increased reliance in and strain on available technology, resources, and systems. As global systems, economies, and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region, or financial market will, more frequently, adversely impact issuers in other countries, regions, or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. The Funds will be negatively impacted if the value of their investments decreases as a result of such events, if these events adversely impact the operations and effectiveness of JDC or key service providers, or if these events disrupt systems and processes necessary or beneficial to the management of the Funds.

Regulatory Risk. The regulatory environment for private funds is constantly evolving and changes therein could adversely affect the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its investment objective. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. In addition, the regulatory or tax environment for derivative and related instruments is also evolving and subject to modification by

government or judicial action which could adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the Fund is impossible to predict.

There has recently been increased legal and regulatory scrutiny of the private fund industry and the activities of managers involved with it. As a result, there are currently various legal and regulatory initiatives in Europe, the United States and elsewhere which could adversely affect the Fund. Any increased regulation could impact how the Fund operates or is managed, increase the Fund's exposure to potential liabilities and impose additional obligations on service providers. The Fund has to bear increased legal, compliance and other related costs which could reduce the net amount received by investors. It is impossible to predict the effect of regulatory changes, some of which could be material and adverse.

In addition to the legal, tax and regulatory changes that are expected to occur during the lifetime of the Fund, there could be unanticipated changes. The legal, tax and regulatory environment for funds, investment advisers, and the instruments that they utilize is continuously evolving.

Furthermore, there is a possibility of future regulatory changes to securities and derivatives markets, which can alter, perhaps to a material extent, the nature of an investment in the Fund or the ability of the Fund to continue to implement its investment strategy. In addition, the SEC, CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the implementation or reduction of speculative position limits, the implementation of higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of futures, options and swaps transactions in the U.S. is a changing area of law and is subject to modification by government and judicial action.

In the future, other laws, rules, and regulations, including ones which relate to the USA PATRIOT Act Improvement and Reauthorization Act of 2005, as amended, could require the Fund to conduct additional verification of both the identity of any person submitting a completed subscription agreement, the source of each person's investment, and the bank accounts remitting subscription monies or receiving redemption proceeds. Entity investors could also be required to produce certain information to the Fund confirming other information already required by the Fund in its subscription agreement. Governmental authorities are continuing to consider appropriate measures to implement know your customer and anti-money laundering laws, and it is unclear what additional steps the Fund or its delegate would be required to take; however, these steps could include prohibiting investors from making further purchases of shares, or depositing distributions and redemptions to which investors would otherwise be entitled to an escrow account, and/or causing the redemption of investors. It also is possible that, in connection with the establishment of anti-money laundering procedures or for other reasons, certain legislation or other regulation requires the Fund or its delegate, or other service providers to the Fund to share information with governmental and regulatory authorities with respect to investors. The Fund reserves the right to require and produce such information as is necessary to comply with any request for information by courts, tribunals, central banks, exchanges, or governmental or regulatory authorities.

While the Funds could be considered similar to investment companies, they are not required to and will not register as such under the Investment Company Act (in reliance upon an exemption available to

privately offered investment companies), and, accordingly, the provisions of the Investment Company Act (which provides certain regulatory safeguards to investors) are not applicable.

U.S. Foreign Account Tax Compliance Act (“FATCA”). Pursuant to FATCA, the Offshore Fund and the Master Fund will be required to comply with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Offshore Fund and the Master Fund to U.S. withholding taxes on certain U.S.-sourced income and gross proceeds. Pursuant to an intergovernmental agreement between the United States and the Cayman Islands, the Offshore Fund and the Master Fund would be deemed compliant, and therefore not subject to the withholding tax, if they identify and report U.S. taxpayer information directly to the Cayman Islands government. Investors could be requested to provide additional information to the Fund to enable the Offshore Fund and the Master Fund to satisfy these obligations. Failure to provide requested information (or, if applicable, satisfy its own FATCA obligations) could subject an investor to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the investor’s interests in the Offshore Fund. Detailed guidance as to the mechanics and scope of this reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Offshore Fund and the Master Fund.

Risks Associated with the Fund’s Investments

Undervalued/Overvalued Securities. One of the key objectives of the Fund is to identify and invest in undervalued and overvalued securities (“**misvalued securities**”). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized.

The Fund makes certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Fund could be required to maintain positions in such securities for a substantial period of time before realizing their anticipated value and there is no guarantee that the anticipated value will ever be realized. During this period, a portion of the Fund’s capital will be committed to the securities, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund finances such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Equity Investments. The Fund will invest in equity instruments and securities. The value of equity securities held by the Fund could decrease in value significantly due to changes in a company’s financial condition, in response to adverse political, regulatory, market or economic developments affecting the company, its industry or the markets generally, or for other reasons. There is no assurance that the equity securities held by the Fund will not lose their value.

Debt Securities. A debt security, sometimes called a fixed income security, is a security consisting of a certificate or other evidence of a debt (secured or unsecured) on which the issuing entity or governmental

body promises to pay the holder thereof a fixed, variable or floating rate of interest for a specified length of time, and to repay the debt on the specified maturity date. Some debt securities, such as zero coupon bonds, do not make regular interest payments but are issued at a discount to their principal or maturity value. Debt securities include a variety of fixed income obligations, including, but not limited to, government securities, municipal securities and mortgage-backed securities.

Debt securities are subject to a variety of risks, such as interest rate risk, income risk, call/prepayment risk, inflation risk, credit risk, country risk and currency risk. The reorganization of an issuer under the federal or other bankruptcy laws could result in the issuer's debt securities being cancelled without repayment, repaid only in part, or repaid in part or in whole through an exchange thereof for any combination of cash, debt securities, convertible securities, equity securities, or other instruments or rights in respect of the same issuer or a related entity. Fixed income securities generally are not traded on exchanges. The over-the-counter market can be illiquid and there could be times when no counterparty is willing to purchase or sell certain securities. The nature of the market can make valuations difficult or unreliable.

Arbitrage, Correlation and Event-Driven Risks. The Investment Manager engages in various types of arbitrage strategies. Arbitrage involves the purchase of an asset and the concurrent sale of that asset in a different market, or the sale of a related asset, in order to capture small price discrepancies between markets or related assets. Arbitrage strategies involving related assets carry the risk that the value of the related assets will not track or affect each other in the manner anticipated by the Investment Manager. Arbitrage strategies generally assume that the price of related assets are correlated and will converge to some historic or quantitative relationship, and that price discrepancies from this relationship will disappear. In the event the price of related assets are not correlated, the price discrepancies do not disappear or if the price discrepancies increase, the Fund could lose money on an arbitrage trade. In addition, the Investment Manager's arbitrage strategies will result in high portfolio turnover and, consequently, greater transaction costs. Depending upon the investment strategies employed and market conditions, the Fund could be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced withdrawals of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes or changes in tax treatment. Arbitrage strategies include both relative value and event driven strategies, such as merger arbitrage.

In the case of merger arbitrage, the Manager could determine that the offer price for a security that is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the Investment Manager could purchase securities above the offer price, thereby exposing the Fund to an even greater degree of risk.

When the Investment Manager determines that it is probable that a previously-announced transaction involving a company will not be consummated, it can sell the securities of the target company short, at times significantly below the announced price for the securities in the transaction. If the transaction (or another transaction, such as a defensive merger or a friendly tender offer) is consummated at the

announced price or a higher price, the Investment Manager could be forced to cover the short positions in the market at a higher price than the short sale price, resulting in a loss.

The consummation of mergers, exchange offers and cash tender offers can be prevented or delayed by a variety of factors. Offers for tender or exchange offers customarily reserve the right to cancel such offers in a variety of circumstances, including an insufficient response from shareholders of the target company. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat an acquisition, they could result in significant delays, during which the Fund's capital will be committed to the transaction and interest charges could be incurred on funds borrowed to finance its arbitrage activities in connection with the transaction.

Exchange offers or cash tender offers are often made for less than all of the outstanding securities of an issuer, with the provision that, if a greater number is tendered, securities will be accepted on a *pro rata* basis. Thus, after the completion of a tender offer, and at a time when the market price of the securities has declined below the price at which the Fund acquired them, the Investment Manager might have returned to it, and be forced to sell at a loss, a portion of the securities it had previously tendered.

The Investment Manager can make certain speculative purchases of securities. Such purchases could include securities of companies that are involved in, or which the Investment Manager believes will be involved in, corporate restructurings, that it believes are undervalued because of an extraordinary event, or that are expected to undergo a change in value because of an expected occurrence. The Investment Manager can also make concentrated investments in securities of companies that could become targets for takeovers. If the Investment Manager purchases securities in anticipation of an acquisition attempt or reorganization or with the intention of influencing the management and policies of the issuer of the securities, and an acquisition attempt or reorganization does not in fact occur or they are not able to so influence the issuer of the securities, the Investment Manager could sell the securities at a material loss.

In most forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (for example, for failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Investment Manager of the security in respect of which such distribution was made. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action.

Convertible arbitrage strategies generally involve price spreads between a convertible security and the underlying equity security. To the extent the price relationships between such positions remain constant, no gain or loss on the position is likely to occur. Convertible securities include bonds, preferred stocks, options, warrants and other securities that are convertible, generally into common stock. Profit opportunities exist in such arbitrage strategies because, among other things, the market periodically misprices certain convertible securities in relation to the underlying stock. Evaluating convertible

securities involves a complex analysis of factors such as prevailing interest rates, dividend pay-out levels, the remaining length of the conversion period and the credit standing of the issuer. Such positions do, however, entail a risk that the price differential could change unfavorably, causing a loss to the spread position. Substantial risks also are involved in borrowing and lending against such investments. The prices of these investments can be volatile, market movements are difficult to predict, and financing sources and related interest and exchange rates are subject to rapid change. Certain corporate securities are subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks. Government policies, especially those of the Federal Reserve Board and foreign central banks, have profound effects on interest and exchange rates that, in turn, affect prices in areas of the investment and trading activities of convertible arbitrage strategies. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, cause sharp market fluctuations.

Concentration Risk. The Fund is not limited by concentration restrictions, and its assets can therefore be heavily concentrated in a limited number of investments. As a result of this lack of diversification, the Fund's results can be more volatile than a broadly diversified portfolio and could be significantly impacted by a poorly performing investment or group of investments. Moreover, to the extent that the Fund's investments are concentrated in a limited number of industries, the Fund's investments can be highly correlated with one another and the Fund could be subject to considerable directional risk.

Distressed Securities. The Fund can invest in distressed securities. The ability of the Investment Manager to obtain a profit from these investments often depends upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities can be contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the Fund can incur a loss on the position. Distressed securities can have a limited trading market, resulting in limited liquidity and presenting difficulties to the Fund in valuing its positions. Distressed securities by the nature of their issuers' leveraged capital structures, will involve a high degree of financial risk. These securities can be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured. In addition, these securities might not be protected by financial covenants or limitations upon additional indebtedness, have limited liquidity and be un-rated by a credit rating agency. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) would impair the ability of such issuer to make payments on the subordinated securities and could result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

Structured Securities Generally. The Fund can invest in interests in securitization vehicles organized and operated solely for the purpose of restructuring the investment characteristics of other debt securities, mortgage backed securities, collateralized debt obligations, etc. (collectively, "**Structured Securities**"). This type of restructuring generally involves the deposit with or purchase by an entity, such as a corporation or trust, of specified instruments and the issuance by that entity of one or more classes of securities backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments can be apportioned among the newly issued security to create securities with

different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to such securities is dependent on the extent of the cash flow on the underlying instruments. Certain classes of such securities can be subordinated to the right of payment of another class. Subordinated structured investments typically have higher yields and present greater risks than unsubordinated structured investments.

Many Structured Securities are highly complex instruments and can be sensitive to changes in interest rates, prepayment rates or both. There is no guarantee that a liquid market will exist for any Structured Security that the Fund wishes to sell.

Structured Securities generally are limited or non-recourse obligations payable solely from underlying assets or collateral securities or the proceeds thereof. Consequently, holders of Structured Securities must rely solely on distributions on the underlying assets or collateral securities or proceeds thereof for payment in respect of the Structured Securities. The underlying assets are subject to, among other things, credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks and could fluctuate with the financial condition of the underlying issuers and obligors. In the event that issuers of the underlying collateral securities or obligors on the underlying assets default on their obligations, or distributions on the underlying assets or collateral securities are insufficient to make payments in respect of the Structured Securities, no other assets will be available for the payment of the deficiency. There is no guarantee that liquidation of underlying assets and collateral securities will be sufficient to repay investors for their investment in such Structured Securities.

In addition, Structured Securities can involve risks different from those of the assets or securities underlying or backing such Structured Securities. The failure by a servicer, sponsor or manager of a Structured Security to perform adequate credit review scrutiny of underlying assets or collateral securities or to otherwise fulfill its obligations with respect to a Structured Security can lead to the liquidation of, or default on, such Structured Security. Such failures and defaults would have a negative impact on the return of the Structured Security and could affect the performance of the Fund.

Illiquid Investments. The Fund invests in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments, which are assets which are subject to Rule 144A). There could be no trading market for these securities and instruments, and the Fund might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Fund could be required to hold such securities despite adverse price movements. Despite good faith efforts at fair valuation, the valuation of these positions can prove to be materially inaccurate and, to have resulted in inflated management fees paid to the Investment Manager (and incentive compensation to the general partner), inflated redemption proceeds paid out to redeeming shareholders and diminished relative holdings accorded to new subscribers.

Rule 144A Securities. The Fund can invest in securities that are not registered for sale to the general public under the Securities Act, but can be sold to and resold by certain institutional investors, provided the Fund meets the definition of QIB. The Fund might not be able to qualify as a QIB unless and until it has \$100 million in assets. The scope of the Fund's investments could be limited until the Fund qualifies as a QIB.

Rule 144A securities are subject to contractual or legal restrictions on subsequent transfer. As a result of the absence of a public trading market, such securities are typically less liquid and more difficult to value than publicly traded securities. Although these securities can be resold in privately negotiated transactions, the prices realized from the sales could, because of the illiquid nature of the market, be less than the prices originally paid for the securities by the Fund less than their fair value. In some instances, it can be difficult to locate any purchaser for Rule 144A securities. If any Rule 144A securities held by the Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, the Fund could be required to bear the expenses of registration. Securities which are freely tradable under Rule 144A can be treated as liquid if the Investment Manager is satisfied that sufficient trading activity and reliable price information exists. Investing in Rule 144A securities could have the effect of increasing the illiquidity of the Fund's portfolio to the extent that QIBs are reluctant to purchase such securities.

Derivatives Risk and Short Sales. Derivatives are financial contracts in which the value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Fund can use derivatives for any purpose including, among other things, as a substitute for taking a position in the underlying asset or as part of a strategy designed to reduce or increase exposure to other risks, such as interest rate or foreign exchange risk or other related risks. The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, such as interest rate risk, market risk, counterparty risk, and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative might not correlate perfectly with the underlying asset, rate or index. If the Fund invests in a derivative instrument it could lose more than the principal amount invested. Also, suitable derivative transactions might not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The Fund engages in short sales to the extent the Investment Manager deems it advisable in connection with the Fund's investments or as opportunistic investments. The Investment Manager can use futures, options, swaps, credit default swaps, forward sales or other transactions to effectuate short exposure in the portfolio. Short sales involve selling securities of an issuer short 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. If the price of the issuer's securities declines, the Fund can 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 can 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 Fund's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Synthetically created short positions will involve both hedging situations, where the position is intended to wholly or partially offset risk associated with another position in a related security, and speculative situations, where the Investment Manager uses shorting techniques to take advantage of the decline in the price of particular assets. The Fund will generally realize a profit or a loss as a result of a synthetically created short position if the value of the underlying asset decreases or increases, respectively, during the relevant term of the short position. In addition, the Fund will be required to post collateral on such positions as required pursuant to the agreement with the relevant transaction counterparty. The use of short selling through credit default swaps and total return swaps will subject the Fund to counterparty credit risk in the event of a default by the counterparty which could result in the loss of collateral posted with such counterparty and gains to which the Fund would otherwise be entitled absent the default of the counterparty. In addition, depending on the nature of the synthetic instrument used by the Fund to create short exposure, the Fund could be subject to the risk of unlimited losses.

Leverage. The Fund uses leverage in its investment program. The amount of leverage that can be employed by the Fund at a given time will be determined by the Investment Manager. The costs associated with any such leverage will be charged to the Fund.

The rights of any lenders making loans directly to the Fund to receive payments of interest or repayments of principal will be senior to those of the Fund's investors; in addition, credit providers will have certain enforcement rights (including compulsory prepayment in the event of default) and rights to the assets of the Fund which could negatively affect an investor's interest. In the event that the Fund is unable to meet margin requirements, the credit providers will be able to force the sale of underlying assets or have the ability to seize the assets at the current lender provided marks. Payments of interest and fees incurred in connection with the borrowings will reduce any income the Fund would otherwise have available, which could reduce the Fund's profitability and prevent the Fund from taking advantage of attractive investment opportunities. The effect of leverage will amplify the performance of the Fund on both the upside performance and downside performance. The use of leverage, combined with negative performance of the Fund can result in a loss of principal for some or all of an investor's interest in the Fund.

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

The success of the Fund's hedging strategy will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also

be subject to the Investment Manager's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While the Fund can enter into hedging transactions to seek to reduce risk, such transactions could result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of those portfolio positions or prevent losses if the values of those positions decline. Rather, it establishes other positions designed to gain from those same declines, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. For a variety of reasons, the Investment Manager might not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation can prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. The Investment Manager will determine, in its sole discretion, not to hedge against certain risks and certain risks exist that cannot be hedged. Furthermore, the Investment Manager is not able to anticipate every particular risk so as to hedge against it effectively. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

The Fund can seek to hedge currency risks by investing in currencies, currency exchange forward or futures contracts, swaps, swaptions or any combination thereof (whether or not exchange traded), but these or other instruments necessary to hedge such currency risks could generally be unavailable, not provide a perfect hedge or not be, in the Investment Manager's judgment, economically priced. There can be no assurance that these strategies will be effective, and such techniques entail costs and additional risks.

OTC Derivative Instrument Transactions. The Fund invests a portion of its assets in investments which are not traded on organized exchanges and as such are not standardized. Such transactions are known as over-the-counter ("**OTC**") transactions and can include forward contracts, swaps or options. While some OTC markets are highly liquid, transactions in OTC derivatives can involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It can be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it can be difficult to establish what is a fair price. In respect of such trading, the Fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Fund.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Fund can be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and can be influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events and

changes in interest rates. The volatility of such instruments, indices or rates, can render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Fund, could result in losses.

Options. The Fund utilizes options. Trading in options involves a number of risks. Specific market movements of the option and the instruments underlying an option cannot be predicted. No assurance can be given that a liquid offset market will exist for any particular option or at any particular time. If no liquid offset market exists, the Fund might not be able to effect an offsetting transaction in a particular option. To realize any profit in the case of an option, therefore, the option holder would need to exercise the option and comply with margin requirements for the underlying instrument. A writer could not terminate the obligation until the option expired or the writer was assigned an exercise notice. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract underlying the option that the writer must purchase or deliver upon exercise of the option. The writer of a naked option might have to purchase the underlying contract in the market for substantially more than the exercise price of the option in order to satisfy his delivery obligations. This could result in a large net loss.

Futures. The Fund invests in certain futures contracts, including futures contracts on securities, interest rates, foreign currencies, stock indices, and can trade options on such futures contracts, including purchasing call options, writing (selling) naked or covered call options and purchasing or selling put options on such futures contracts. The Fund also purchases or sells options on securities and securities indices. Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract can result in substantial losses to the trader. Moreover, futures positions are marked to market each day and variation margin payment must be paid to or by a trader.

Positions in futures contracts can be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for such contracts. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Fund could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the futures contracts and the underlying investment sought to be hedged can prevent the Fund from achieving the intended hedging effect or expose the Fund to the risk of loss.

Use of Swap Agreements. The Fund utilizes swap agreements including, without limitation, interest rate, index and currency swap agreements. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard swap transaction, two parties agree to exchange the returns earned on specified assets, such as the return on,

or increase in value of, a particular dollar amount invested at a particular interest rate, in a particular foreign currency. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary securities transactions. There are risks relating to the financial soundness and creditworthiness of the counterparty to swap agreements. If the other party to an interest rate swap defaults, the Fund's risk of credit loss can be the amount of interest payments that the Fund is contractually obligated to receive on a net basis. However, where swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), the entire principal value of the swap could be subject to the risk that the other party to the swap will default on its contractual delivery obligations. The investment performance of the Fund, however, could be adversely affected by the use of swaps if the Investment Manager's forecasts of market values, interest rates or currency exchange rates are inaccurate.

Credit Default Swaps. The Fund can enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value," of the reference obligation in exchange for the reference obligation. The Fund can be either the buyer or seller in a credit default swap transaction. If the Fund is a buyer and no event of default occurs, the Fund could lose its investment and recover nothing. However, if an event of default occurs, the Fund (if the buyer) will receive the full notional value of the reference obligation that could have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. Credit default swap transactions involve greater risks than if a Fund had invested in the reference obligation directly. Credit default swaps are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty.

Interest Rate Risk. The Fund is subject to several risks associated with changes in interest rates on its borrowings and investments which can affect profitability. The interest payments on the Fund's borrowings can increase relative to the interest earned on the Fund's investments. In a period of rising interest rates, interest payments by the Fund could increase or increase faster while the interest earned on certain investments would not change or change more slowly. Central bank interventions have recently led to a period of historically low interest rates, the impact of which is uncertain.

Non-U.S. Securities. The Investment Manager trades the securities of non-U.S. issuers and markets outside the U.S., including emerging markets. Issuers of foreign securities are not subject to United States reporting and accounting requirements. Foreign requirements can result in less information being available or in a lack of uniformity in the manner in which information is presented. The risk of material misstatement in financial reports can be substantially higher. Other risks associated with investments in securities of foreign issuers, particularly in less developed markets, include currency exchange risks, expropriation, or limits on repatriating an investment, government intervention, confiscatory taxation,

political, economic or social instability, illiquidity, less efficient markets, price volatility and market manipulation.

If the Investment Manager becomes involved in the trading of foreign securities, the Fund can maintain a portion of its assets in clearing accounts pursuant to clearing agreements with foreign clearing firms (including banks and brokers) and foreign affiliates of domestic broker-dealers. Foreign clearing firms are generally not subject to United States laws and regulations and foreign markets can be subject to less regulation and supervision than in the United States. Transaction costs of investing in non-U.S. securities in foreign markets can be substantially higher than in the United States and clearance procedures could be less efficient. Furthermore, clearing and registration procedures might be under-developed enhancing the risks of error, fraud or default. Trading in non-U.S. markets involves the risk of currency exchange rate fluctuation. The Investment Manager is not required to hedge against the risk of a decline in value of the U.S. dollar in relation to other currencies in which the Fund invests.

Some foreign securities are subject to brokerage or stock transfer taxes levied by foreign governments, which would have the effect of increasing the cost of investment and which could reduce the realized gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, can be subject to less stringent or different regulations than would be the case for U.S. issuers and therefore potentially carry greater risk. Custodial expenses for a portfolio of non-U.S. securities generally are higher than for a portfolio of U.S. securities. In addition, dividend and interest payments from, and capital gains in respect of, certain foreign securities are subject to foreign taxes that might or might not be reclaimable.

Many of the laws that govern foreign investment, securities transactions and other contractual relationships in non-U.S. securities markets are different than or not as fully developed as those in the United States. As a result, the Fund would be subject to a number of risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of U.S. markets, and lack of enforcement of existing regulations. Some of these risks could be magnified in emerging markets. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund could be subject to withholding taxes imposed by foreign governments for which investors might not receive a full foreign tax credit. Furthermore, it is typically more difficult to obtain and enforce a judgment in a court outside of the United States than to enforce one in the United States.

Non-U.S. Debt Securities. The returns on debt securities of non-U.S. issuers reflect interest rates and other market conditions prevailing in those countries. If such non-U.S. debt securities are denominated in currencies other than the U.S. Dollar, the effect of gains and losses in the non-U.S.-Dollar currencies against the U.S. Dollar could have a substantial impact on the value of such non-U.S.-Dollar-denominated debt securities. The relative performance of various countries' fixed income markets historically has reflected wide variations relating to the unique characteristics of each country's economy. Year-to-year

fluctuations in certain markets have been significant, and negative returns have been experienced in various markets from time to time.

The non-U.S. government securities in which the Fund invests include, among other things, obligations issued or backed by national, state or provincial governments or similar political subdivisions or central banks in non-U.S. countries, debt obligations of supranational entities including international organizations designated, or backed, by governmental entities to promote economic reconstruction or development, international banking institutions and related government agencies, debt securities of “quasi-governmental agencies”, and debt securities denominated in multinational currency units of an issuer (including supranational issuers). Debt securities of quasi-governmental agencies are issued by entities owned by either a national, state or equivalent government or are obligations of a political unit that is not backed by the national government’s full faith and credit and general taxing powers.

Investment in sovereign debt can involve a high degree of risk. The governmental entity that controls the repayment of sovereign debt might not be able or willing to repay the principal and/or interest when due in accordance with the terms of the debt. A governmental entity’s willingness or ability to repay principal and interest due in a timely manner can be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity’s policy toward the International Monetary Fund, and the political constraints to which a governmental entity is subject. Governmental entities also depend on expected disbursements from foreign governments, multilateral agencies and others to reduce principal and interest arrearages on their debt. The commitment on the part of these governments, agencies and others to make such disbursements can be conditioned on a governmental entity’s implementation of economic reforms and/or economic performance and the timely service of such debtor’s obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due can result in the cancellation of such third parties’ commitments to lend funds to the governmental entity, which could further impair such debtor’s ability or willingness to service its debts in a timely manner. Consequently, governmental entities default on their sovereign debt. Holders of sovereign debt (including the Fund) can be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign debt on which governmental entities have defaulted can be collected in whole or in part.

Credit Risk. The Fund invests in debt securities and is subject to credit risk, i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. This is broadly gauged by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the agencies issuing them, change less quickly than relevant circumstances and are not absolute guarantees of the quality of the securities. Furthermore, the Fund’s investments could be un-rated by any rating agency or be rated below investment grade. The Fund will be more dependent upon the judgment of the Investment Manager as to the credit quality of such unrated securities. A default, downgrade or credit impairment of any of its investments could result in a significant or even total loss of the investment.

Availability of Suitable Investments. As the Fund grows, it could face difficulty in deploying its assets as existing strategies face capital constraints. The Investment Manager could have difficulty finding sufficient opportunities to effectively utilize the available capital.

Risks Associated with an Investment in the Fund

Restrictions on Registration and Trading. As a consequence of his undertaking with the CFTC (as described below), Mr. Corzine may not directly or indirectly, act as a principal, agent, officer, director, or employee of any person registered, exempted from registration, or required to be registered with the CFTC as a futures commission merchant. Nor can Mr. Corzine apply for registration with the CFTC in any capacity or engage in any activity requiring registration with the CFTC. However, Mr. Corzine is not restricted from acting as, or being affiliated with, an asset manager that is exempt from registration with the CFTC. Under the applicable exemption, the Investment Manager in respect of the U.S. Fund and Master Fund will be subject to compliance with certain significant trading limits, investor eligibility requirements and marketing restrictions. The trading limits require that the direct holdings of the U.S. Fund and the Master Fund comply with one of the following limits: (1) the aggregate initial margin, premiums and required minimum security deposit for retail forex transactions required to establish the positions, determined at the time the most recent position was established, will not exceed 5% of the liquidation value of each such fund's portfolio, after taking into account unrealized profits and unrealized losses on such positions (excluding in-the-money amounts of an option that is in-the-money at the time of purchase); or (2) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100% of the liquidation value of each such fund's portfolio, after taking into account any unrealized profits and unrealized losses on such positions. In addition, under current regulatory guidance, if the Investment Manager operates the U.S. Fund or Master Fund as a "fund of funds," the Investment Manager must not know and cannot have reasonably known that each such fund's indirect exposure to commodity interests derived from contributions to other funds exceeds both of these levels.

Limited Operating History. The Offshore Fund, the Master Fund and the Investment Manager each have a limited operating history and track record. The past performance of the Fund is not predictive of the future performance of the Fund, and there can be no guarantee that the asset mix and investments previously available to the Fund will continue to be available to any portfolio. The past investment performance of the Investment Manager's key personnel should not be construed as an indication of the future results of an investment in the Fund. Although the Fund might be similar to one or more investment vehicles or accounts advised or previously advised or managed by the key personnel of the Investment Manager from time to time, the Fund is managed as a separate portfolio with its own distinct investment objectives, policies, risks and expenses. In addition, anticipated investments for the Fund will be highly dependent on current and prospective market trends and could experience highly different performance attributes. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of investments will prove accurate or that the Fund will achieve its investment objective. The asset mix and

investment strategy of the Fund will differ from other portfolios that could be managed by the Investment Manager and as a result could experience different performance attributes.

Master Feeder Fund Structure. The U.S. Fund and Offshore Fund will invest through a “master-feeder” structure. The “master-feeder” fund structure presents certain risks to investors. Smaller feeder funds investing in the Master Fund can be materially affected by the actions of larger feeder funds investing in the Master Fund. For example, if a larger feeder fund withdraws capital from the Master Fund, the remaining feeder funds can experience higher *pro rata* operating expenses, thereby producing lower returns. The portfolio of the Master Fund can become less diverse or less liquid due to withdrawal by a larger feeder fund, resulting in increased portfolio risk. The Master Fund will incur expenses and liabilities that will be paid by the Master Fund prior to making distributions to the feeder funds. The Master Fund can be materially affected by the actions of other feeder funds investing in the Master Fund. Creditors of the Master Fund can enforce claims against all assets of the Master Fund, including the feeder funds’ assets which are invested in the Master Fund. In addition, to the extent the feeder funds’ assets are invested in the Master Fund, certain conflicts of interest exist in that different tax considerations in respect of the feeder funds can cause or result in the Master Fund’s structuring or disposing of an investment in a manner or at a time that is more advantageous to one feeder fund.

Performance of the Feeder Funds. The assets of the Offshore Fund and the U.S. Fund will be invested through the Master Fund *pro rata* based on their respective investments in the Master Fund. However, certain investments can be made directly by the Offshore Fund and not the U.S. Fund, and *vice versa*, as a result of regulatory, tax, transaction structure or other considerations. As a result, the performance of the Offshore Fund could differ from that of the U.S. Fund. In addition, the performance of the Offshore Fund and the U.S. Fund can differ based on expenses incurred by one fund that are not applicable to the other fund.

Dependence on the Investment Manager and the Board of Directors. The Investment Manager has exclusive responsibility for the Fund’s investment decisions, subject to the supervision by the board of directors. The success of the Fund is dependent upon the ability of the Investment Manager and those of its key employees who will manage the Fund’s investments to develop and implement successfully the Fund’s investment program. Investors in the Fund will not have an opportunity to participate in the management of the Fund or the opportunity to evaluate the specific investments made by the Fund or the terms of any such investment.

Limited Liquidity of Investment. Investment in the Offshore Fund is highly restricted with significant transfer restrictions. The terms of the Offshore Fund afford shareholders limited redemption rights. An investment in the Offshore Fund is subject to the right of the Offshore Fund to impose gates on or suspend redemptions. There is no market for the shares, and none is expected to develop. It should also be assumed that there could be a limited market for certain of the Offshore Fund’s underlying investments in the event that such investments were distributed in-kind to an investor in connection with a redemption request.

Compulsory Redemption. The board of directors and/or the Investment Manager can effect the compulsory redemption of all or any part of a shareholder's shares for any reason or no reason, at any time.

Special Rights. Certain shareholders can be subject to lower fees or incentive compensation payable to the Investment Manager or the general partner, which gives such shareholders a better rate of return on their investment in the Fund.

Side Letters. In accordance with the organizational and operating documents, the general partner, the Investment Manager and the board of directors negotiate side letters with certain investors in the U.S. Fund and Offshore Fund that result in different investment terms than the terms applicable to other investors. As a result of such side letters, certain investors can receive additional benefits which other investors will not receive. Unless agreed otherwise in the side letter, the general partner, the Investment Manager and the board of directors will not be required to offer such additional and/or different rights and/or terms to any or all of the other investors. Each entity can enter into such side letters with any party as it determines in its sole discretion at any time. The other investors will have no recourse against the general partner, the Investment Manager and the board of directors, and/or any of their affiliates in the event certain investors receive additional and/or different rights and/or terms as a result of side letters.

Dependence on Occurrence of Events. The ability to realize a profit on many of the Fund's investments is dependent upon the occurrence (or non-occurrence) of certain events. If the event that the Investment Manager is expecting does not occur (or an unexpected event occurs), the Fund can sustain a significant loss.

Cyber Security. JDC and the third parties whose software JDC utilizes are subject to cyber security risks. JDC (or its service providers) could find themselves a target of cybersecurity attacks. Cyber security breaches include, without limitation, infection by computer viruses, corrupting data, unauthorized access of systems, phishing, and ransomware. JDC has put in place protections to prevent cyber security breaches but not all cyber security breaches are preventable and technology changes rapidly and JDC might not be able to stay ahead of such advances. In the event of a cyber security breach, JDC and clients could be negatively impacted through loss of data, credentials including identifications and passwords, and assets.

Substantial Fees and Expenses; Incentive Compensation. The Investment Manager receives a quarterly management fee and the general partner of the Master Fund receives a performance based incentive allocation. The expenses to which the Offshore Fund will be subject could be substantial and will dilute returns realized by shareholders. Moreover, the allocation of the incentive allocation to an affiliate of the Investment Manager, could provide an incentive for the Investment Manager to cause the Fund to make more speculative, higher risk investments than would be the case in the absence of such arrangements. Further, shareholders and prospective investors should note that the management fee and incentive allocation payable to the Investment Manager and the general partner of the Master Fund, respectively, are based in part upon unrealized gains (as well as unrealized losses), and that such unrealized gains and losses might never be realized by the Offshore Fund.

Uncertainty of Future Results. This Brochure contains forward-looking information. This information was prepared by the Investment Manager based on its experience in the industry and on assumptions of fact and opinion as to future events which the Investment Manager believed to be reasonable when made. There can be no assurance, however, that assumptions made are accurate. Prior investment returns are not indicative of future success.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions, the Fund generally will not disclose all of its positions to shareholders on an ongoing basis, although the Funds, in their sole discretion, permits such disclosure on a select basis to certain shareholders if the Fund determines that there are sufficient confidentiality agreements and procedures in place. Further, the Master Fund would not disclose its investment positions in its annual financial statements, if it determines that such confidential treatment is desirable; provided, however, that the Funds expects to disclose such information to the extent required to ensure that no qualification to their audited financial statements will be made as a result of the non-disclosure of the Master Fund's investment positions.

Valuations. Valuations of some or all of the Fund's investments require input from the Investment Manager and third parties. Valuations requiring input from the Investment Manager or third parties can be based on subjective inputs of the Investment Manager or such third parties. In some cases, valuation of certain investments are based upon models, indicative quotes or estimates of value and not actual executed historical trades. The Investment Manager will use reasonable efforts to base such inputs on observable market prices and inputs but there can be no assurances that such information will be readily available. There can be no assurances that illiquid investments can be disposed of or liquidated at the valuations established by the Investment Manager or other third parties.

Contingent Liabilities. The Fund is authorized to establish such reserves for unknown or contingent liabilities as the Fund deems necessary. For example, the Fund from time to time finds it necessary to set up a reserve for contingent liabilities and withhold amounts otherwise distributable to the shareholders in connection with redemption requests until the magnitude of such liability is fully determined.

Risk of Litigation. The Fund could be subject to litigation from time to time. The securities that the Fund purchases can also be the subject of litigation. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. The Fund could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which could materially adversely affect the value of the Fund, are impossible to anticipate, and such proceedings could continue without resolution for long periods of time. Litigation could consume substantial amounts of the time and attention of the Investment Manager and certain traders, often to an extent disproportionate to the amounts at stake in the litigation. There could be judgments rendered against the Fund.

Cayman Islands Law. Although there is no statutory enforcement in the Cayman Islands of the same, judgments obtained in the courts of any state within the U.S. generally will be recognized and enforced by courts in the Cayman Islands without any re-examination of the merits at common law, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a

liability to pay a liquidated sum for which the judgment has been given, (c) is final, (d) is not in respect of taxes, a fine or a penalty and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

As outlined above, there are grounds upon which a Cayman Islands court may not enforce the judgments of U.S. courts and some remedies available under the laws of U.S. jurisdictions, including some remedies available under U.S. federal securities laws, may not be permitted under Cayman Islands courts as contrary to public policy in the Cayman Islands. Similarly, those judgments may not be enforceable in countries other than the U.S. where the Master Fund or the Offshore Fund has assets. Further, no claim may be brought in the Cayman Islands by or against the Offshore Fund or its directors and officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial application under Cayman Islands law and do not have force of law in the Cayman Islands; however, a Cayman Islands court may impose civil liability, including the possibility of monetary damages, on the Offshore Fund or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Cayman Islands law.

Offshore Fund Cross-Class Liability. The Offshore Fund has the power to issue shares in classes or series. The organizational and operating 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, the Offshore 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 Offshore Fund 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 Offshore Fund attributable to other classes or series can be applied to cover such liability excess and the value of the contributing classes or series will be reduced as a result.

The Master Fund as an Exempted Limited Partnership. The Master Fund is constituted as Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law (as amended) (the "**ELP Law**"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of every description of the exempted limited partnership, including all choses in action and any right to make capital calls and receive the proceeds thereof that is conveyed to or vested in or held on behalf of any one or more of the general partners or which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner(s), upon trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Similarly, any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the ELP Law entails that the

partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the ELP Law.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the partnership's assets are inadequate. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as expressed in the partnership agreement or as otherwise agreed, (ii) if such limited partner becomes involved in the conduct of the partnership's business and holds himself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to section 34 of the ELP Law to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of the insolvency.

Competition. Since an inherent part of the Investment Manager's strategy will be to identify securities that provide for attractive risk adjusted yield, competitive investment activity by other firms will reduce the Fund's opportunity for profit by reducing mispricings in the market as well as the margins available on such mispricings as can still be identified.

Prime Brokers. Pursuant to prime brokerage agreements, margin lending agreements and other similar agreements with each of its prime brokers (each, together with its affiliates, a "**Prime Broker**"), the Master Fund authorizes each Prime Broker to lend either to itself or to others any or all assets maintained with such Prime Broker, to convey all attendant rights of ownership (including voting rights and the right to transfer the assets to others), and to use all such assets as collateral for their general loans within the limits of applicable law and regulations. Unless otherwise agreed, any such assets used as collateral, together with all attendant rights of ownership, can be pledged, repledged, hypothecated or rehypothecated either separately or in common with other property for any amounts due to the Prime Broker (or for a greater amount), and the Prime Broker shall have no obligation to retain a like amount of similar property in their possession and control.

The Master Fund will rank as an unsecured creditor to each of its Prime Brokers in relation to assets that the applicable Prime Broker borrows, lends or otherwise uses and, in the event of the insolvency of such Prime Broker, the Master Fund might not be able to recover equivalent assets in full. In addition, if applicable law permits, cash that a Prime Broker holds or receives on the Master Fund's behalf will not be treated by the Prime Broker as client money, not be segregated from the Prime Broker's own cash and could be used by the Prime Broker in the course of its investment business. In such event, the Master Fund will rank as one of the Prime Broker's general creditors with respect to such cash deposits. Shareholders should assume that the insolvency of any of the Master Fund's Prime Brokers, custodians or other service providers could result in the loss of all or a substantial portion of the Master Fund's assets held by or through such entity.

Custodians. Institutions, such as brokerage firms or banks, have custody of a portion of the Master Fund's assets. These assets are often registered in "street name" and not in the Master Fund's name. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the

Fund. The Master Fund will attempt to concentrate its investment transactions with well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Subscription Monies. Where a subscription for shares is accepted, the shares will be treated as having been issued with effect from the relevant offering date regardless of whether the subscriber for those shares is entered in the Offshore Fund's register of members as of the relevant offering date. The subscription monies paid by a subscriber for shares will accordingly be subject to investment risk in the Offshore Fund from the relevant offering date.

Conflicts of Interest

The following actual and potential conflicts of interest exist in respect of making an investment in the Fund. Following is a brief summary of some of these conflicts, but the summary is not intended to be an exhaustive list of all such conflicts.

Various potential and actual conflicts of interest can arise from the overall investment activity of the Fund, the Investment Manager, the general partner and their respective affiliates.

Fees to the Investment Manager and Allocations to the General Partner. The Investment Manager, in its role as Investment Manager of the Fund, will receive the management fee and the general partner, its affiliate, will receive an incentive allocation at the level of the Master Fund with respect to the net profits of the feeder funds. The payment of an incentive allocation to the general partner creates an incentive to the Investment Manager to recommend higher risk investments than would be the case in the absence of such arrangements.

Conflicts of Interest Involving the Investment Manager; Material Non-Public Information. Although the officers and employees of the Investment Manager will devote as much time to the Fund as the Investment Manager deems appropriate, the officers and employees, have conflicts in allocating their time and services among the Fund and other accounts now or hereafter advised by the Investment Manager and/or its affiliates.

Certain employees of the Investment Manager or of its affiliates could have or obtain confidential information that cannot be used by the Investment Manager on behalf of the Fund. In addition, the Investment Manager and its affiliates, in connection with their other business activities, could acquire material non-public confidential information that would restrict the Investment Manager from purchasing securities or selling securities for itself or its clients (including the Fund) or otherwise using such information for the benefit of its clients or itself. Such restrictions could have an adverse impact on the Fund and its performance.

Other Accounts. The Investment Manager, the general partner and their affiliates will devote to the Fund so much of their time as, in their judgment, the business of the Fund reasonably will require, but are not required to devote all of their time to the activities of the Fund. However, conflicts of interest would arise if the Investment Manager, the general partner, and their respective affiliates in the future carry on substantial investment activities for other client accounts, including discretionary accounts and other

investment vehicles (collectively, the “**Other Accounts**”). Some of the Other Accounts could invest in the same or different securities as the Fund, compete with the Fund for the same investment opportunities (which might be limited) and/or engage in transactions or other activities or pursue investment strategies which are inconsistent with those effected for the Fund or which are contrary to or conflict with the interests of the Fund. The Investment Manager, the general partner and their respective affiliates can give advice to or effect transactions on behalf of Other Accounts that are inconsistent with or contrary to advice given or transactions effected on behalf of the Fund. Such Other Accounts could be managed by current employees of the Investment Manager or by new portfolio managers hired by the Investment Manager and could follow a similar investment strategy as that employed by the Fund. The Investment Manager could have an incentive to retain such portfolio managers to manage the assets of such Other Accounts rather than or in addition to managing the assets of the Fund. The principal employees of the Investment Manager can devote time and resources to the management of Other Accounts. In addition, the Investment Manager, the general partner and their respective affiliates from time to time form separate entities to invest in investments in which the Fund is then making an investment. Such entities can have better liquidity rights than the Fund. The board of directors could also act in a similar capacity for other investment vehicles.

Allocation of Investment Opportunities. The Investment Manager and its affiliates are not obligated to allocate all investment opportunities that are appropriate for the Fund to the Fund. Allocation of investment opportunities among the Fund and the Other Accounts will be subject to the Investment Manager’s allocation procedures which generally provide that investments will be allocated on a fair and equitable basis, having regard to such matters as available capital, relative exposure to market trends, risk tolerance, expected duration of the Fund or the investments, the relevant Other Accounts or the investments, the investment programs and portfolio positions of the Fund and the affiliated entities for which participation is appropriate in light of guidelines, concentration limits and other limitations established by the respective entities, and applicable tax and regulatory considerations.

Principal and Agency-Cross Trades. The Investment Manager or its affiliates can enter into (i) “principal transactions” with the Fund in which the Investment Manager or its affiliates act as principal for their own account with respect to the sale of a security or asset to or purchase of a security or asset from the Fund, or (ii) “agency-cross transactions” with the Fund in which the Investment Manager or any affiliate thereof acts as broker for both the Fund and a party on the other side of the transaction. Principal transactions, agency-cross transactions and other significant transactions between the Fund and the Investment Manager and its affiliates will be done in compliance with applicable law. The board of directors is required to provide consent before the Investment Manager or its affiliates enter into any principal transactions with the Fund. In analyzing such transactions, the Investment Manager will have a conflict between acting in the best interests of the Fund and assisting itself or its affiliate by selling or purchasing a particular security or asset. The Investment Manager will not engage in proprietary trading.

Item 9. Disciplinary Information

From March 23, 2010, through October 31, 2011, Mr. Corzine served as Chairman and Chief Executive Officer of MF Global Holdings Ltd. (“**MF Global**”), and, from September 1, 2010, through October 31, 2011, Mr. Corzine was also Chief Executive Officer of MF Global’s U.S. operating subsidiary, MF Global, Inc. (“**MFGI**”), a registered broker-dealer and futures commission merchant. On October 31, 2011, MF Global and various subsidiaries filed for Chapter 11 bankruptcy protection, and MFGI became the subject of liquidation proceedings under the Securities Investor Protection Act. At the time of the bankruptcy, MFGI reported to its regulators that it could not account for certain commodity futures customer funds that were required to be held in segregation.

In 2013, the CFTC brought an enforcement action against MF Global, Mr. Corzine, and Edith O’Brien, in which it was alleged that Mr. Corzine (a) failed to supervise the activities of MFGI and its employees as required by Regulation 166.3 under the Commodity Exchange Act (“**CEA**”) and (b) acted as a control person of MFGI with respect to certain uses by MFGI and its employees of its customers’ segregated funds that violated the CEA and related regulations. *U.S. Commodity Futures Trading Commission v. MF Global Holdings Ltd.*, 11-cv-7866 (S.D.N.Y.). On January 5, 2017, the district court entered a consent order reflecting a settlement between Mr. Corzine and the CFTC. Mr. Corzine entered into a settlement with the CFTC, in which he agreed to the entry of a consent order finding that (a) MFGI and MF Global violated the CEA and related regulations concerning the use of customer segregated funds, (b) Mr. Corzine failed to supervise diligently the activities of the officers, employees and agents of MF Global, MFGI, and their subsidiaries and affiliates, in violation of the CEA and related regulations, and (c) Mr. Corzine was liable for MFGI’s violations of the CEA and related regulations as a controlling person of MFGI. Without admitting or denying the CFTC’s allegations, Mr. Corzine agreed to pay a \$5 million civil monetary penalty and that he would never, directly or indirectly, act as a principal, agent, officer, director, or employee of any person registered, exempted from registration, or required to be registered with the CFTC as a futures commission merchant, or apply for registration with the CFTC in any capacity, or engage in any activity requiring registration with the CFTC. Additional information on these matters is provided in the organizational and operating documents.

Item 10. Other Financial Industry Activities and Affiliations

JDC relies on the *de minimis* exemption from registration as a CPO and as a CTA, with respect to the U.S. Fund and Master Fund. JDC also intends to rely on the exemption from registration as a CTA for those advising not more than fifteen persons with respect to any accounts. These exemptions from registration as a CTA are not contingent on the Investment Manager being registered with the SEC as an investment adviser.

Certain employees of JDC hold ownership interests and/or an incentive allocation. We believe that such interests align the interests of these employees with that of Funds’ investors, but like other professionals that share in the potential profits of their funds, employees could be inclined to take additional risks to achieve Fund performance. JDC has policies and procedures, systems and personnel responsible for monitoring portfolio positions and limits, and believes its program is reasonably designed to monitor for such risks.

An affiliate of JDC, Corzine Capital LLC, serves as the general partner to the Funds. Affiliates of JDC (including the general partner) can also invest directly or indirectly in Funds. In addition, employees of JDC (or its affiliates) also invest directly in the Funds. We believe that such interests align the interests of JDC's affiliates and employees with those of the Funds.

Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

JDC has adopted a Code of Ethics (the “**Code**”) in accordance with SEC rule 204A-1, which sets forth standards of conduct that are expected of JDC principals and employees and addresses conflicts that arise from personal trading. Personal securities transactions by employees are required to be conducted in a manner that is consistent with our fiduciary duties and prioritize the client's interests in client eligible investments. The Code requires JDC personnel to report their personal securities transactions and prohibits JDC personnel from directly or indirectly acquiring beneficial ownership or disposing of certain securities, including in an initial public offering or limited offering, without first obtaining approval from the JDC CCO. A copy of the Code will be provided to any investor or prospective investor upon request to the CCO at (212) 409-5383.

The Investment Manager will not engage in proprietary trading. The Investment Manager has adopted a personal investment policy designed to prohibit associated persons from engaging in investments that could conflict with any client's trading, including a minimum 45-day holding period.

In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information (i.e., confidential information about companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security). Under applicable law, JDC would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of JDC. Similar restrictions would also be applicable if JDC personnel serve as directors of public companies and could restrict trading on behalf of clients, including a Fund, which could prevent JDC from acting upon information that others have that could have benefitted a Fund.

Subject to the Code and pre-clearance requirements, JDC and its principals and employees carry on investment activities for their own account and for family members who do not invest in a Fund. Such advice and/or recommend securities to persons can differ from advice, recommendations or purchases for any Fund, even though their investment objectives are the same or similar. JDC has a fiduciary obligation to put its clients' interests ahead of its own interests and has developed its Code in respect of its obligations. At all times, the personnel of JDC are subject to the Code, and JDC believes that the Code, along with the monitoring of the personal securities trading reasonably manages such risks. As discussed above, there is a pre-clearance process that applies to JDC access persons (including its principals and employees) to determine if a potential personal securities transaction is held by or under consideration for a Fund and presents a conflict of interest, and the pre-clearance process is designed to prevent such trading in the same security (or related securities) at or about the same time. The organizational and operational documents and investment programs of certain Funds restrict, limit or prohibit, in whole or

subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds, but only in accordance with the agreements in place with such investors.

Conflicts of interest related to the general partner of the Funds are discussed in Item 10.

Item 12. Brokerage Practices

The Investment Manager will be responsible for the placement of the portfolio transactions of the Fund and the negotiation of any commissions paid on such transactions. Portfolio securities normally will be purchased through unaffiliated brokers on securities exchanges or directly from the issuer, an underwriter or a market maker of the securities. Purchases of portfolio investments through brokers involve payment of a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include payment of the spread between the bid and the asked price. Purchases from an issuer or an underwriter also generally involve payment of underwriting concessions.

In selecting brokers and effectuating trades, the Investment Manager seeks best execution (*i.e.*, the most favorable results reasonably attainable under the circumstances, taking into account a variety of factors, including price and costs as well as qualitative factors), taking into account various factors, including without limitation: research capabilities of the broker-dealer; broker creditworthiness, reputation and integrity; clearance and settlement capabilities; confidentiality provided by the broker-dealer; competitiveness of commission rates and spreads; and size of the order, nature of the market for the security and timing of the transaction (promptness).

The Investment Manager effects transactions with broker-dealers who provide research services (collectively, “**soft dollars**”) to the Investment Manager that assist the Investment Manager in making investment and trading decisions on behalf of a Fund, and the Investment Manager receives a benefit because it did not have to produce or pay for the research services. An Investment Manager has an incentive to select or recommend a broker-dealer based on the Investment Manager’s own interests in receiving the research services, rather than on clients’ interest in receiving the most favorable execution. In particular, the negotiated commissions paid to broker-dealers supplying soft dollar items might not represent the lowest obtainable commission rates when compared to commissions charged by other broker-dealers. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or the Investment Manager’s overall responsibilities with respect to a Fund.

Research services furnished by brokers can include: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. The Investment Manager is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required

to be performed by the Investment Manager and the management fee is not reduced as a consequence of the receipt of such research services.

While the Funds are the only clients of the Investment Manager at this time, on the occasion that the Investment Manager accepts a separately managed account or an affiliate does so, then the research services provided by broker-dealers used by the Funds could be used to effect transactions for the Investment Manager or its affiliates in connection with its investment services for other accounts and, likewise, research services provided by broker-dealers used for transactions of other accounts could be utilized by the Investment Manager in performing its services for the Funds. Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates can at times result in higher transaction costs than would otherwise be obtainable.

The use of commissions or soft dollars generated by the Fund's trading activity to pay for research and research-related products or services will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by the Fund can be used by the Investment Manager to service accounts other than the Fund.

As the Funds are the only JDC clients at this time, purchase and sale orders are aggregated for the benefit of such clients, which can result in lower trading costs to the Funds.

Item 13. Review of Accounts

JDC closely monitors companies in which its clients, the Funds invest, and the CCO periodically checks to confirm that each Fund is maintained in accordance with its stated objectives. The frequency of certain monitoring activities is ongoing and relies on systems which flag outliers, while other monitoring is conducted on a monthly and/or quarterly basis depending on the underlying information being monitored as appropriate.

The Fund generally will provide to its Investors (i) audited financial statements annually, (ii) monthly investor capital statements, (iii) annual tax information necessary for each investor's tax returns, and (iv) newsletters periodically.

Item 14. Client Referrals and Other Compensation

JDC has engaged but does not current engage a third-party marketer. JDC has not but could pay referral fees to individuals or entities that solicit prospective clients or prospective investors for JDC, and would do so in accordance with SEC rule 206(4)-3.

Item 15. Custody

While JDC or certain affiliates are deemed to have custody of certain client funds and securities, JDC itself does not maintain physical custody of such assets. At this time, JDC is deemed to have custody of the private fund clients because a related person serves as general partner. JDC will not have custody of any separately managed account.

As set forth in Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”), all client funds that fall under the purview of the Custody Rule are held at accounts maintained in the name of the applicable client by entities deemed qualified custodians as defined in the Custody Rule. Clients should carefully review the statements sent by their qualified custodian. Additionally, JDC delivers audited financial statements of the applicable clients (such clients over which JDC or an affiliate is deemed to have custody) to all investors within 120 days of the client’s fiscal year end. The financial statements are prepared in accordance with generally accepted accounting principles and are audited by an independent accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board.

Item 16. Investment Discretion

JDC has discretionary authority to manage investments on behalf of each Fund. As a general policy, JDC does not allow Fund investors to place limitations on this authority. Pursuant to the terms of the Advisory Agreement, however, JDC has entered into side letters with certain Fund investors whereby the terms applicable to such investor’s investment in a Fund have been altered or varied. Future side letters can include, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. JDC assumes this discretionary authority pursuant to the terms of the Advisory Agreement and powers of attorney executed by the investors of such Fund.

Item 17. Voting Client Securities

JDC has adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for its Funds’ portfolio investments. Investors in the Funds cannot direct the vote in a particular solicitation. The Proxy Policy seeks to ensure that JDC votes proxies (or similar instruments) in the best interest of each Fund, including where there could be material conflicts of interest with JDC’s own interests in voting proxies. JDC generally believes its interests are aligned with those of each Fund’s investors and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that JDC addresses the conflict using several alternatives. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by JDC when voting proxies on behalf of a Fund. If you would like a copy of JDC’s Proxy Policy or if a Fund investor would like information regarding how JDC voted proxies for particular portfolio investments, please contact JDC’s CCO, at (212) 409-5383.

Item 18. Financial Information

JDC does not require prepayment of management fees six months or more in advance or have any other events requiring disclosure under this item.