

Part 2A of Form ADV: Firm Brochure
Item 1: Cover Page



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This brochure provides information about the qualifications and business practices of Birnam Oak Advisors, LP ("Birnam Oak" or the "Investment Manager"). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or any state securities authority. Birnam Oak is submitting this Brochure as part of its initial application for registration as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration of an investment adviser with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 212-970-5800. Additional information about Birnam Oak also is available on the SEC website at www.adviserinfo.sec.gov.

On January 1, 2024, Birnam Oak will be assigned investment management responsibilities of a fund (the "Fund") previously managed by Taconic Capital Advisors L.P. ("Taconic") with Christopher DeLong serving as its Principal and Chief Investment Officer. Mr. DeLong has served as Portfolio Manager of the Fund since its inception in May 2021. Beginning January 1, 2024, Mr. DeLong will begin serving as Chief Executive Officer and Portfolio Manager of Birnam Oak in connection with it assuming investment management of the Fund (the "Spin-Out"). The information presented in this Brochure generally has been drafted as if the Spin-Out had already occurred. Upon the Spin-Out, Taconic will not be involved in, have any association with, or responsibility for, the management, operations or investment activities of the Fund and will not be a related person of Birnam Oak, as defined in the ADV Glossary, nor will it be a financial industry affiliate of Birnam Oak as understood in Item 7. Prior to the Spin-Out, Birnam Oak will not manage client assets.

Item 2: Material Changes

This Brochure is Birnam Oak's initial Form ADV Part 2A submitted with the Firm's application for registration as an investment adviser with the SEC. In the future, Item 2 will identify and discuss any materials changes from the last annual update of this Brochure to inform clients and make them aware of certain material information that has changed since the prior year's Brochure.

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Item 4: Advisory Business

A. General Description of Advisory Firm

Birnam Oak Advisers, LP, (“**Birnam Oak**,” the “**Investment Manager**,” “**we**,” the “**Firm**”), a Delaware limited partnership, was founded in September 2023 and Birnam Oak Advisors GP, LLC, (the “**GP**”) a Delaware limited liability company controlled by Christopher L. DeLong, serves as the general partner of Birnam Oak.

Mr. DeLong, Founder, Chief Executive Officer, and Portfolio Manager is the principal owner of the Firm. He manages the Firm with Ms. Erin Ross, General Counsel, Chief Operating Officer, and Chief Compliance Officer.

B. Description of Advisory Services

Birnam Oak expects to commence managing discretionary client assets, including through U.S. and non-U.S. investment funds (each a “**Fund**” and collectively, the “**Funds**” or the “**Birnam Oak Funds**”) offered on a private placement basis to sophisticated investors and institutional investors on January 1, 2024.

The Birnam Oak Funds are structured in a master feeder arrangement, whereby a Delaware limited partnership, Birnam Oak Fund, LP (the “**Domestic Feeder**”), and a Cayman Islands limited partnership, Birnam Oak Offshore Fund, LP (the “**Offshore Feeder**”), feed into a Cayman Islands limited partnership, Birnam Oak Master Fund, LP (the “**Master Fund**”).

Birnam Oak will adhere to the investment strategy set forth in the offering memorandum and governing documents for the Funds, which generally seek to achieve a combination of equity risk premium and excess returns by investing the Funds’ assets in a highly concentrated event driven portable alpha strategy. Event driven positions will generally be concentrated in merger arbitrage, capital structure arbitrage, legal/regulatory risks, volatility expressions, and highly liquid capture of duration and credit spread.

C. Availability of Customized Services

Birnam Oak’s advice with respect to the Birnam Oak Funds is subject to the terms of their respective governing and offering documents, which may impose restrictions on investing in certain securities or types of securities. Investment advisory services are provided directly to the Birnam Oak Funds and not individually to their underlying investors.

People reviewing this brochure should not construe this as an offering of any of the Birnam Oak Funds. Such offers are only made pursuant to the delivery of a private placement memorandum describing the risk factors, conflicts of interest, investment objectives and other important features of the applicable Birnam Oak Fund.

D. Wrap Fee Programs

Birnam Oak does not participate in wrap fee programs.

E. Client Assets

As of the time of the filing of this Brochure in November 2023, Birnam Oak does not manage any client assets on a discretionary basis or nondiscretionary basis. As noted above, Birnam Oak expects to commence managing client assets on a discretionary basis on or about January 1, 2024.

Item 5: Fees and Compensation

A. Fees and Compensation

Detailed information regarding the management fees and incentive allocation described below is set forth in the applicable offering and governing documents of the Funds. The descriptions below are summary in nature. Investors should carefully review the specific terms and conditions set forth in the relevant Fund's offering and governing documents.

Management Fees

Management fees payable to Birnam Oak are established pursuant to the Birnam Oak Funds' respective constituent documents. Management fees charged are calculated prior to taking into account any incentive allocation, as described below and are calculated by the Funds' third-party administrator and deducted from the Master Fund's account under the instruction of Birnam Oak. Birnam Oak is generally paid a management fee of 0.75% per annum. Birnam Oak, in its sole discretion, may waive and has waived all or part of the management fee otherwise due with respect to certain Birnam Oak Fund investors, including with respect to certain investors affiliated with Birnam Oak, Taconic, and certain friends and family members of Birnam Oak affiliates, without notifying other investors.

Incentive Allocation

As described in further detail in each Fund's private placement memorandum, Birnam Oak will also receive performance-based compensation in the form of an incentive allocation from the Master Fund equal to 10% of the net profits attributable to each investor's investment in the Funds over the applicable measurement period in excess of a 5% non-cumulative hurdle amount, subject a high-water mark limitation. Birnam Oak, in its sole discretion, may waive and has waived all or part of the incentive allocation due with respect to certain Birnam Oak Fund investors, including with respect to certain investors affiliated with Birnam Oak, Taconic, and certain friends and family members of Birnam Oak affiliates, without notifying other investors.

Incentive allocations, if any, are calculated by the Funds' administrator and deducted from the Master Fund's account under the instruction and supervision of Birnam Oak annually on December 31st each year and also as of the effective date of any withdrawal from such Funds with respect to the amount withdrawn.

Pre-Payment of Fees

The Master Fund will pay Birnam Oak a management fee on the first day of each calendar month, which management fees will be debited from each Fund series capital account held by an investor. The management fee will be prorated and payable as of the subscription date for any capital contribution that is effective as of a date other than as of the first day of a calendar month. In the event of a withdrawal by a Fund investor other than as of the last day of a calendar month, Birnam Oak will return to the Master Fund (to be allocated to the applicable investor's series capital account) an amount equal to the *pro rata* portion of the management fee, based on the actual number of days remaining in such calendar month.

Additional Fees and Expenses

In addition to Birnam Oak's management fees described above, the Master Fund bears all administrative and operational expenses attributed to the administration and operations of the Funds. The following summarizes the types of expenses our Funds incur:

- expenses related to the research, due diligence, and monitoring of actual and prospective investments (whether or not consummated) and the consummation, holding, operation or disposition of investments, including, without limitation, the following:
 - third-party investment sourcing fees;
 - fees and expenses related to obtaining and/or analyzing research and market data (including, without limitation, any information technology hardware, software or other technology incorporated into the cost of obtaining such research and market data and any other research-related expenses (including, without limitation, legal and professional fees and expenses, fees for news and quotation equipment, data and exchange fees, connectivity costs and services, market and other research-related data services, and other fees paid to third party providers of research products and services including, but not limited to, those that would otherwise constitute eligible research under Section 28(e) of the Exchange Act));
 - travel expenses (which, with respect to personnel of Birnam Oak will be charged in accordance with Birnam Oak's travel policy);
 - brokerage and prime brokerage fees, commissions, expenses and ticket charges (including, without limitation, fees, commissions and expenses related to maintaining an outsourced trading and execution broker);
 - any deposits or down payments, including, without limitation, any such fees and expenses that are forfeited in connection with, or amounts paid as a penalty for unconsummated transactions (*i.e.*, "broken-deal costs");
 - expenses relating to reorganizations, restructurings and workouts;
 - expenses relating to short sales;
 - mark-ups, mark-downs and clearing and settlement charges;
 - depositary or custodial fees and expenses;
 - bank service fees;
 - interest expenses and fees related to financings or refinancings;
 - fees and expenses of proxy research and voting services; and
 - fees and expenses (including, without limitation, travel expenses) of third-party professionals, including, without limitation, consultants, appraisers, investment bankers, attorneys and accountants;
- organizational expenses (as well as any expenses related to the Spin-Out from Taconic), including, without limitation, attorney fees and private placement fees and expenses including, but not limited to, those attributable to foreign, state and municipal private placement, lobbying and other distribution rules, laws and regulations;
- operational expenses, including, without limitation, the following:
 - fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data

management and recovery services and custom development) used to research investments, manage research, evaluate and manage risk, facilitate valuation and pricing of investments, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations, anti-money laundering laws and know-your-customer requirements), facilitate and manage the order execution of securities or otherwise manage the Funds or any subsidiary, such as Bloomberg terminals, trade execution management systems, portfolio management and accounting systems, operation management systems, risk management systems, treasury management systems and order management systems and services related to any of the foregoing;

- fees and expenses incurred by the Funds or any subsidiary in connection with the provision of any third-party services, including, without limitation, consultants, valuation service providers, administrators (including, without limitation, those for certain information technology software and services and middle office trade support software and services, as well as for accounting, reporting, tax, compliance and audit services and software), attorneys, accountants, anti-money laundering compliance and reporting officers required for the Funds by applicable law, including, without limitation, out-of-pocket expenses incurred or charged by any of the foregoing;
- the costs of any litigation, threatened litigation, inquiries (including, without limitation, formal and informal regulatory “sweeps”) or investigation involving activities of the Funds or any subsidiary; provided, for the avoidance of doubt, that any such costs being paid or reimbursed as a result of a request for indemnification pursuant to the terms of the Funds’ partnership agreements will be subject to the terms of such agreement’s indemnification provisions;
- third-party audit and tax preparation, compliance and filing expenses;
- insurance and bonding expenses, including, without limitation, premiums for cybersecurity insurance and liability insurance covering the GP, the Investment Manager and the members, partners, officers, employees and agents of any of them;
- fees and expenses related to the organization and conduct of any limited partners committee, any independent client representative or any governance committee convened by any of the Funds (or of any of the Master Fund’s subsidiary’s directors and officers) (including, without limitation, travel, lodging and meal expenses (which, with respect to personnel of Birnam Oak, will be charged in accordance with Birnam Oak’s travel policy)) as well as fees of any such directors or officers (other than Mr. DeLong, Ms. Ross or other Birnam Oak personnel));
- costs of preparing and distributing disclosures, reports and notices;
- entity-level taxes; third-party legal, compliance and other fees and expenses incurred in connection with legal and regulatory compliance relating to the Fund’s or any subsidiary’s activities (including, without limitation, (1) regulatory filings of the GP, Birnam Oak and their affiliates relating to the Funds, any subsidiary and their activities such as (but without limitation) Form PF, 13F, 13H, short and long exposure and/or ownership filings with the U.S. and foreign regulators, AIFMD Annex IV and the AIFMD annual report, but excluding, for the avoidance of doubt, expenses incurred in connection with registering Birnam Oak or

- the GP with the SEC as a registered investment adviser, and (2) compliance with U.S. federal, state, local, non-U.S. and other laws, rules and regulations including, without limitation, those related to trading securities, commodities, and other instruments, data privacy, ERISA and other applicable laws and compliance with the “private fund adviser rules” adopted by the SEC on August 23, 2023 (to the extent not prohibited by such rules));
- expenses related to proxy voting research and recommendations, reporting, execution and recordkeeping services;
 - registered office, entity organizational maintenance fees and other similar expenses;
 - the Funds’ information, communication and reporting (including, without limitation, the use of client relationship management systems and other costs and expenses relating to communications with investors (including, without limitation printing, mailing, investor web-portal, webinars, electronic subscription agreements and electronic signature tools)) costs and expenses (including, without limitation, reports to be filed with the SEC, the Internal Revenue Service, and other national, state, provincial or local regulatory or self-regulatory authorities in any country or territory), and any costs associated with outsourcing the completion of such reports, or other reports, disclosures, licenses, filings and notifications prepared with respect to any regulatory (or self-regulatory) requirement relating to, or in connection with, the Fund’s or any subsidiaries’ activities or operations (including, without limitation, related out-of-pocket or other expenses of the Funds, any subsidiary, the GP or Birnam Oak);
 - expenses incurred in connection with the offering and sale of the interests in the Funds (or in connection with negotiating and complying with provisions of any agreement or arrangement with any individual investor or group of investors), including, without limitation, amendments to and consents to amendments to the offering and organizational documents for the Funds, and other similar expenses related to the Fund (excluding fees payable to any placement agent);
 - fees and expenses incurred in connection with agreements with, and due diligence related to products or services for the benefit of, the Funds or any subsidiary; and
 - extraordinary and other expenses, including, without limitation, the following:
 - indemnification expenses;
 - fees and expenses incurred in connection with any tax audit by any U.S. federal, state, or local authority, including, without limitation, any related administrative settlement and judicial review; and
 - fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of any Fund, the Master Fund, or any subsidiary.

The Funds do not have a pre-determined limit on ordinary or extraordinary operating expenses. The Fund’s actual annual operating expenses will be disclosed in the Funds’ year-end audited financial statements, which will be provided to each investor. Investors should review the private placement memorandum of the Funds for a comprehensive list of fees and expenses.

The Master Fund may reimburse the GP or Birnam Oak for advances they make to pay for the Funds’ expenses. If one or more Funds and/or Birnam Oak are responsible for all or a portion of a particular expense, Birnam Oak will allocate that expense among all such entities in a fair and equitable manner. When making

such allocations among client Funds, Birnam Oak will generally allocate expenses based on each Fund's respective capital balances. The Funds' third-party administrator fees are charged based on net assets under management, subject to a minimum charge and certain service specific charges.

Birnam Oak faces a conflict of interest when allocating expenses between Birnam Oak, on the one hand, and the Birnam Oak Funds on the other. Birnam Oak also faces a conflict of interest with respect to the allocation of expenses among the Birnam Oak Funds as the size of employee and affiliated investments and the fact that Birnam Oak's management fees and the GP's incentive allocation vary materially among the Birnam Oak Funds. Certain costs and expenses may be related only to one entity and borne only by such entity or costs and expenses may be allocated by Birnam Oak among multiple Funds. To mitigate these conflicts, Birnam Oak has implemented expense allocation review and approval policies and procedures to help ensure that expenses allocated to the Birnam Oak Funds comport with what is permitted by each Fund's respective offering and/or organizational documents. When determining the appropriate allocation for expenses, Birnam Oak makes judgments in its fair and reasonable discretion while taking into account factors it considers relevant and appropriate, notwithstanding its interest in the outcome. While expenses are generally allocated based on each Fund's respective capital balances, such factors may also include, for example, relative benefit or relative responsibility when considered in light of the expense allocation provisions set forth in each fund's offering and/or organizational documents. Birnam Oak may make corrective allocations should it determine that such corrections are necessary or advisable.

Investors in the Birnam Oak Funds will also directly or indirectly bear fees paid to the managers of exchange traded funds, money market or other funds in which the Birnam Oak Funds may invest from time to time.

For more information on brokerage transactions and costs, please see Item 12 – Brokerage Practices.

Neither Birnam Oak nor any of our affiliates or employees accepts compensation for the sale of securities or other investment products.

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

Birnam Oak and its affiliates are entitled to receive the performance-based incentive compensation described in Item 5 and in accordance with Section 205 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and Rule 205-3 thereunder.

Investors should be aware that the receipt of performance-based compensation creates an incentive for Birnam Oak to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect and the level of performance based-compensation may vary among the Birnam Oak Funds. While this conflict does exist, Mr. DeLong and our other affiliates’ investments in the Funds aid in aligning our interests with the interests of our Funds’ investors.

In addition, in the case of the Funds, the incentive allocation is generally calculated on a basis which includes unrealized appreciation, which creates an incentive for Birnam Oak to overvalue unrealized positions. Despite the presence of this conflict of interest, we seek to act fairly when valuing client assets. To resolve and mitigate the potential conflict, Birnam Oak has constituted valuation committees to review and sign off on the fair valuation of the investments in the Birnam Oak Funds, and the net asset value of the Birnam Oak Funds is independently calculated by the Funds’ third-party administrator.

In addition to having significant investments in the Birnam Oak Funds, employees, and affiliates of Birnam Oak may from time to time establish proprietary accounts or vehicles or other research and development accounts, comprised exclusively or primarily of internal capital to evaluate potential new investment strategies. As a result, Birnam Oak and its personnel may have an incentive to favor accounts that have the prospect of offering Birnam Oak higher performance-based compensation and fees (now or in the future) or in which they have a significant proprietary interest, including in the allocation of investments, trading activities, attention, and time. Birnam Oak is mindful of these conflicts and has implemented oversight policies and procedures with respect to the allocation of investments and expenses to manage and monitor such conflicts as and when they arise. Until Birnam Oak has determined that any research and development accounts and/or strategies are ready for a broader group of investors, they will remain limited to being primarily or exclusively proprietary accounts.

Item 7: Types of Clients

Birnam Oak provides advice to the Birnam Oak Funds, as described in Item 4. The Birnam Oak Funds, which are pooled investment vehicles, themselves are not subject to any requirements for opening or maintaining an account. Investors in the Funds, which may include high net-worth individuals, endowments, foundations, corporate and public pension plans, fund-of-funds, corporations, state, local and foreign governments, and charitable organizations, among other categories of investors, must meet certain suitability requirements set forth in each Fund's applicable private placement memorandum and governing documents.

Birnam Oak will not provide investment advice to any person other than our Fund clients. This Brochure is not intended to be an offer to invest in our Funds, or to open a managed account with us.

Prospective investors are required to complete subscription agreements and provide certain "know your customer" and tax information. The constituent documents for each Birnam Oak Fund set forth required minimum investment amounts for investment by investors in such Birnam Oak Fund. Minimum investment amounts have been, and may in the future, be waived at the sole discretion of Birnam Oak or the GP.

Certain investors in the Funds or other clients in the future may have separate arrangements with respect to their investments. Such Funds or clients may, from time to time, establish such arrangements, without the consent of or notice to the existing Fund investors, by entering into a side letter or other agreement concerning an investor's or prospective investor's investment that has the effect of establishing rights, providing information flow, or altering or supplementing investment terms. Such arrangements may provide an advantage to those investors that is not available to others, for example by giving them transparency rights and/or different fee/allocation arrangements.

Birnam Oak and its affiliates may also provide certain information to investors or prospective investors in response to questions, requests, side letter agreements, portfolio reviews, and/or in connection with due diligence or portfolio monitoring meetings or other communications. Such information will generally not be distributed to other investors and prospective investors who do not request such information. Each investor or prospective investor is responsible for asking such questions or requesting information as it believes is necessary to make its own initial and ongoing investment decisions and must decide for itself whether the information typically provided by Birnam Oak is adequate for its investment evaluation.

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

A. Methods of Analysis and Investment Strategies

As explained in greater detail in the Funds' offering documents, Birnam Oak seeks to generate superior risk adjusted returns by exploiting the inefficiencies created by large pools of passive capital, the mechanistic use of "factors", and other capital flows insensitive to price discovery in the various global asset markets. The Master Fund's highly concentrated event driven portable alpha investment strategy seeks to achieve a combination of (i) equity risk premium and (ii) excess returns by investing in concentrated "information intensive" positions in merger arbitrage, capital structure arbitrage, legal/regulatory risks, volatility expressions, and highly liquid capture of duration and credit spread.

The Master Fund's investment strategy attempts to capture a standard "equity risk premium" and combine it with excess return through "bottom-up analysis." Birnam Oak expects that the portfolio will typically consist of a concentrated "long equity" portfolio of "core" positions intended to generally correlate with the world equity markets combined with a concentrated portfolio of "alpha" positions selected on a bottom-up basis and intended to provide excess return. Birnam Oak will also attempt to create a limited degree of downside protection for the Master Fund by searching for, and employing, when possible, positions that we believe will create "long volatility" cheaper than can be purchased by "plain vanilla" options in the open market. The number of positions is expected to vary from time to time.

Birnam Oak has broad and flexible investment authority and intends to continually adjust the composition of the portfolio, which includes North American and non-North American long and short investments in equities, derivatives, debt instruments and other securities or financial instruments, including those of investment companies. Birnam Oak relies on numerous sources of publicly available information for its investment decisions and regularly consults with experts, including but not limited to, legal experts in fields such as antitrust, bankruptcy and securities law, as well as others with expertise in specific geographic (e.g., Germany, Spain, Italy) and microeconomic areas (e.g., energy, technology, and utilities).

The strategy employs generally significant leverage and involves a high degree of risk and volatility. Birnam Oak anticipates that the aggregate long at-risk investments as a percentage of the Master Fund's capital (a measure of leverage) will generally be limited to 250%; however, under certain circumstances the Investment Manager contemplates the possibility of having the Master Fund's leverage exceed this level for a period of time. The actual amount of leverage employed by the Master Fund at any time is a function of the risk characteristics of individual investment positions, investment opportunities, borrowing rates and the Investment Manager's judgment about the impact a major market upset might have on the value of the portfolio as a whole.

Birnam Oak pursues a flexible investment style. In this regard, Birnam Oak employs investment techniques and strategies that it believes help the Master Fund pursue its investment objectives. To this end, the descriptions set forth herein of specific strategies in which the Master Fund engages or specific investments the Master Fund may make should not be understood to limit in any way the Master Fund's investment activities. The Master Fund may engage in any investment strategy and make any investment, including any not described herein, that the Investment Manager considers appropriate to pursue the Master Fund's investment objective.

Birnam Oak pursues a flexible investment style. In this regard, Birnam Oak employs investment techniques and strategies that it believes help the Funds pursue their investment objectives. No assurance can be given that the Funds will ultimately achieve their investment objectives or that any investment technique or strategy utilized by Birnam Oak will be successful, or that substantial losses will not be incurred. The investment strategies Birnam Oak pursues are speculative and entail substantial risks, including those listed below. Investments are volatile, and clients should be prepared to bear a substantial loss of capital.

B. Investment Risks

The following risk factors do not purport to be a complete list or explanation of the risks involved with the activities of Birnam Oak and the Birnam Oak Funds. These risk factors include only risks Birnam Oak believes to be material, significant, or unusual based on currently available information with respect to one or more Birnam Oak Funds. Investors in the Funds should review the risk factors set forth in the applicable private placement memorandum, which contains explanations of strategies risks and other related detailed not discussed herein.

Unless context otherwise requires, risks relating to the Master Fund should be read as risks relating to the Birnam Oak Funds collectively. "Limited Partners", "Partners" and "Investors" refer to investors in the Funds.

Investment and Trading Risks Generally. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. The Master Fund invests in and actively trades securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the global equity, currency, and fixed income markets, the risks of short sales, the risks of leverage (including imbedded leverage from derivative instruments), the potential illiquidity of derivative instruments and other portfolio investments and the risk of loss from counterparty defaults and the risk of borrowing to meet withdrawal requests. No guarantee is made that the Master Fund's investment program or overall portfolio, or various investment strategies used, or investments made, will have low correlation with each other or that the returns of the Master Fund, and, therefore, the Funds, will exhibit low long-term correlation with an investor's traditional securities portfolio. The Master Fund's investment program uses investment techniques including margin transactions, option transactions, swaps and other derivative transactions, short sales and forward and futures contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Master Fund, and, therefore, the Fund, may be subject.

No Assurance of Investment Return. The Master Fund's investments, by their nature, involve a high degree of financial risk. There is no assurance that the Master Fund will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of securities, instruments and transactions described herein. No guarantee or representation is made that the Master Fund's investment program will be successful, that the Funds will achieve their investment objective, that expected returns for the Funds will be achieved, or that a Limited Partner will receive a return of its capital, and investment results may vary substantially over time. An investment in the Funds should only be considered by people who can afford a loss of their entire investment. The Master Fund's investments, by their nature, involve a high degree of financial risk.

Past Performance Not Indicative of Future Results. The past performance of other funds or accounts managed by Mr. DeLong is not necessarily indicative of future results. There can be no assurance that the Master Fund will generate investment returns commensurate with such past performance. Although the types of investments targeted by the Master Fund have similarities to certain investments in which other hedge funds managed by Mr. DeLong have participated in the past, the size, investment team and focus of the Master Fund are different than those associated with Mr. DeLong's past undertakings.

Broad Discretion of the Investment Manager; New Strategies and Techniques. While the Investment Manager will generally seek to employ the representative investment strategies and techniques discussed herein, the Investment Manager has considerable discretion in the types of securities the Master Fund may trade and has the right to modify the investment strategies and techniques of the Master Fund without the consent of the Limited Partners, consistent with the Master Fund's investment objectives and the Funds' constituent and offering documents, and subject to the ultimate authority of the GP. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. In addition, any new investment strategy or technique developed by the Master Fund may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Master Fund.

No or Limited Operating History. The GP, the Investment Manager and the Funds are newly formed entities and have no operating history upon which a prospective investor may evaluate their performance. The Master Fund is a recently formed entity and has a limited operating history upon which a prospective investor may evaluate its performance. There can be no assurance that the Master Fund will be able to implement its investment strategy and investment approach or achieve its investment objective. From commencement of operations on May 17, 2021 until December 31, 2023, the Master Fund has been managed by Taconic Capital Advisors L.P. (and Taconic Paradigm GP LLC has served as the general partner of the Funds) with Christopher DeLong serving as a Principal and Chief Investment Officer of Taconic Capital Advisors L.P. and as Portfolio Manager to the Master Fund. While Mr. DeLong was primarily responsible for investment activities of the Master Fund prior to the Spin-Out (and will continue to serve as portfolio manager of the Master Fund following the Spin-Out), other personnel of Taconic Capital Advisors L.P. were also involved in such activities. Accordingly, investors should be aware that the Investment Manager will not be comprised of all investment professionals that were involved in managing the Master Fund prior to the Spin-Out, that the investment team, personnel, operations and size of the Investment Adviser (and GP) differ from those of Taconic Capital Advisors L.P. and its related entities, and that the type, holding periods and other characteristics of the investments comprising the Master Fund prior to the Spin-Out, and the market conditions under which they were made and managed, differ in certain respects from those that the Investment Manager may make or experience going forward. The Investment Manager may not have access to similar opportunities. Accordingly, investors should draw no conclusions from the performance of the Master Fund's previous performance or the performance of any other funds previously managed by Mr. DeLong or pursuing a similar investment strategy, and investors should not expect to achieve similar returns.

New Product Type of the Investment Manager. The strategy being pursued by the Investment Manager for the Master Fund is relatively new and was implemented in its current form for the first time in May 2021 while Mr. DeLong was employed by Taconic Capital Advisors L.P. The strategy has not been thoroughly tested

through multiple market cycles and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. There can be no assurances that the Investment Manager and its investment professionals will be successful in implementing this investment strategy on behalf of the Master Fund or avoid material losses.

Significant Fees and Expenses. The fees and expenses of the Funds may be significant, particularly when the Funds are relatively small and in “launch” phase. There is no guaranty that the Funds will attract (and retain) significant capital. The Master Fund must generate sufficient income to offset such fees and expenses to avoid a decrease in the net asset value of the Funds.

Increasing Assets Under Management. The rates of return achieved by investment managers often diminish as the assets under their management increase. Greater assets under management may be achieved by positive returns and taking in new capital in the future.

Unspecified Investments. A purchaser of an interest in the Funds must rely upon the ability of the Investment Manager to identify, structure, and implement investments consistent with the Funds’ investment objectives and procedures. The Investment Manager may be unable to find enough attractive opportunities for the Master Fund that meet the Funds’ investment objectives.

Reliance on Portfolio Manager. The success of the Funds depends in large part upon the skill, knowledge, judgment, experience, and expertise of Mr. DeLong. There can be no assurance that Mr. DeLong will continue to be associated with the Funds or Birnam Oak. In the event Mr. Mr. DeLong ceases to devote sufficient time to the management of the Funds, there might be an adverse effect on the Funds.

Role of Investment Professionals. The success of the Funds will also depend in part upon the skill and expertise of the Investment Manager’s investment professionals aside from Mr. DeLong. However, there can be no assurance that such professionals will continue to be associated with the Investment Manager or the Funds. The Investment Manager’s ability to achieve the investment objectives of the Funds depends to a substantial degree on its ability to retain and motivate its investment professionals and other key personnel and to recruit talented new personnel. The Investment Manager’s ability to recruit, retain and motivate its professionals is dependent on its ability to offer highly attractive compensation, including incentive compensation. Tax laws currently subject carried interest and gain on the sale of investment services partnership interests to higher rates of U.S. federal income tax than other capital gains in certain instances and there continue to be Congressional discussions and proposals regarding increasing the taxation of carried interests or other policies that may have a negative impact on the taxation of investment professionals. The amount of taxation incurred by investment professionals or the passage of other legislation that negatively impacts investment professionals may make it more difficult for the Investment Manager and General Partner to incentivize, attract and retain these professionals, which may have an adverse effect on the Investment Manager’s ability to achieve the investment objectives of the Funds. The GP and Investment Manager are newly formed entities and the investment professionals recruited by the Investment Manager generally have not previously worked together as a team. In the event any such investment professionals do not work well together as a team or within the systems designed by the Investment Manager the Funds’ performance could be adversely affected. Errors are inherent in the business and operations of any business, and although the Investment Manager intends to adopt measures to prevent and detect errors by, and misconduct of, its investment professionals and other personnel, such measures may not be effective in all

cases. Errors or misconduct by such investment professionals and other personnel could have a material adverse effect on the Funds and the Limited Partners' investments therein.

Investment Availability and Strategy. The success of the Master Fund's investment activities depends on the Investment Manager's ability to identify investment opportunities. Identification and exploitation of investment opportunities to be pursued by the Master Fund involves a high degree of uncertainty. A reduction in the volatility and pricing inefficiency of the markets in which the Master Fund seeks to invest or systematic or structural changes in the equity or credit markets generally, may reduce or increase the scope of the Master Fund's investment opportunities. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy the Master Fund's capital.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing, and realizing attractive investments that fall within the Master Fund's objectives and strategies is highly competitive and involves a high degree of uncertainty and will be subject to market conditions. The Investment Manager expects to encounter competition from other entities that have similar investment objectives and strategies. Some of these competitors may have more relevant experience, greater financial resources, and more personnel than the GP, the Investment Manager, and the Funds. There can be no assurance that the Investment Manager will be able to identify or consummate investments satisfying its investment criteria for the Master Fund or that if such investments are made, that such investments will be profitable when sold. Increased competition for investments could reduce Limited Partners' returns.

Merger Arbitrage. Merger arbitrage strategies typically involve the purchase and/or sale of a position in a security subject (or which the Investment Manager anticipates will become subject) to a merger, acquisition, exchange offer, tender offer, reorganization, liquidation or other corporate event. In a typical transaction, the Master Fund may seek to profit from the "spread" between the current market price and the amount to be realized if the corporate event occurs. If the Master Fund purchases the target company's shares, which are to be exchanged for shares of the acquiring company, the Master Fund may seek to offset, wholly or partially, the purchase with the use of options or other derivatives or a short sale of shares of the acquiring company's stock to seek to reduce general market risks and risks specific to the acquiring company. The success of such strategy depends upon the Investment Manager's ability to make predictions about (i) the likelihood that an event will occur and the completion date of the proposed transaction and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen or predicted by the Investment Manager or that hedging is imperfect, losses can result and such losses may be significant. The consummation of mergers, acquisitions, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) regulatory and antitrust restrictions; (ii) tax or political factors; (iii) industry weakness; (iv) stock-specific events; and (v) failed financings; furthermore, anticipated transactions may not transpire at all.

In the event the proposed transaction is not consummated, the value of the securities held by the Master Fund (which typically are purchased at a significant premium to the pre-announcement market price) may decline significantly, even if the security's market price returns to a level comparable to that which exists prior to the announcement of the deal. Furthermore, the difference between the price paid by the Master Fund for securities of a company involved in a transaction and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities

will usually decline sharply, perhaps by more than the Master Fund's anticipated profit. If the Master Fund has established a short position in the acquiring company's securities, as it often may do in share-for-share transactions, the value of this short position may often also generate significant losses in such an event. Merger arbitrage strategies also depend for success on the overall volume of merger activity, which historically has been cyclical in nature. If the Master Fund participates in appraisal actions related to merger transactions, its investments may be subject to the risk of illiquidity and increased expense during the appraisal process and the risk that a court may determine that "fair value" is actually less than the merger consideration. Because of the inherently speculative nature of event-driven investing, the results of the Master Fund's investment activities in respect of such strategy may be expected to fluctuate from period to period. Accordingly, Limited Partners should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Capital Structure Arbitrage. The success of the Master Fund's capital structure arbitrage strategy depends upon the Investment Manager's ability to identify and exploit the relationships between movements in different securities within an issuer's capital structure (including, bank debt, convertible and non-convertible senior and subordinated debt and preferred and common stock). Identification and exploitation of these opportunities involve uncertainty. There can be no assurance that the Investment Manager will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which the Master Fund will seek to invest will reduce the scope for the Master Fund's investment strategies. In the event that the perceived mispricings underlying the Master Fund's positions fail to materialize, these investment strategies could be unsuccessful or result in losses.

Risk Arbitrage. The success of the Master Fund's risk arbitrage investing depends on the Investment Manager's ability to exploit relative mispricings among interrelated instruments. Mispricings, even if correctly identified, may not converge within the time frame within which the Master Fund maintains its positions. In addition, risk arbitrage trades can result in significant losses if the arbitrage cannot be sustained (due, for example, to margin calls) until expiration. The Master Fund's risk arbitrage strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of valuation models. Market disruptions may also force the Master Fund to close out one or more positions. Such disruptions have in the past resulted in substantial losses for investment funds employing risk arbitrage strategies.

Volatility Arbitrage. The Master Fund may seek to profit from the difference between the forecasted future price volatility of an asset, like a stock, and the implied volatility of options based on that asset. Volatility arbitrage has various associated risks, including, without limitation, the timing of the holding positions, potential price changes of the asset, and the uncertainty in the implied volatility estimate.

Legal/Regulatory Risk Arbitrage. The Master Fund may seek to profit from the "spread" between the current market price of securities and the amount to be realized if certain legal or regulatory event occur. The occurrence of legal or regulatory events is difficult to predict and the Master Fund will remain subject to the risks that the anticipated event does not occur, occurs at a different time than anticipated, has a different impact than anticipated or that hedging is imperfect.

Long/Short Arbitrage Strategies. The success of the Master Fund's arbitrage strategies often depend upon the Investment Manager's ability to identify and purchase securities that are undervalued and identify and

sell short securities that are overvalued, often within the same issuer's capital structure. The identification of investment opportunities in the implementation of such strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Manager, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Investment Manager's strategies may become outdated and inaccurate as market conditions change.

Long Equity Based Portfolio Designated to Track the MSCI ACWI Index ("ACWI"). As part of the Master Fund's investment strategy, the Master Fund will seek to create a base portfolio of equities and other instruments that seeks to track the ACWI, a stock index that tracks approximately 3,000 stocks in developed and emerging market countries covering approximately 85% of the global investable equity opportunity set. Such base portfolio will include a limited number of both exchange traded funds ("ETF") as well as individual positions. The Investment Manager will not generally engage in bottom-up fundamental analysis in respect of such base portfolio investments; rather positions will typically be selected so as to create a diversified portfolio of exposures that generally are designed in the aggregate to track the ACWI. Accordingly, general market conditions, the Master Fund's leverage, and volatility will impact the return of the base portfolio. In addition, while the base portfolio is intended to generally track the ACWI, the Investment Manager may not be successful in creating such portfolio and accordingly such base portfolio and its performance may diverge significantly from that of the ACWI. From time to time, the Investment Manager may also elect to not invest in certain investments that comprise a portion of the ACWI for fundamental reasons, including for example avoiding investments in geographies that have less predictable legal systems. The Investment Manager is also not limited to investing for the Master Fund solely in investments that constitute a component of the ACWI, which could also cause the Master Fund's base portfolio returns to diverge from that of the ACWI.

Short-Term Market Considerations. The Investment Manager's trading decisions, in particular in respect of the base portfolio that seeks to track the ACWI may be made on the basis of short-term market considerations and "loss harvesting" objectives, and the portfolio turnover rate could result in significant trading related expenses. Among other criteria impacting its investment decisions, the Investment Manager may consider overall "tax efficiency" for U.S. taxable investors in managing the Master Fund's base portfolio (or portfolio overall). As a result, the Master Fund, among other things, may decline to make certain investments or may trade certain investments in a manner different than if tax efficiency was not a consideration. While the Investment Manager intends to manage the portfolio in a manner that prioritizes the performance of the Master Fund for all investors taken as a whole, investors that are indifferent to the tax impacts of the Master Fund's investments should note that the Investment Manager may make investment decisions on behalf of the Master Fund based upon tax considerations which are entirely, or materially, irrelevant to certain of its investors. Moreover, the Investment Manager does not attempt to maximize tax efficiency for any specific investor and therefore, any overall tax efficiency may not be beneficial to any such specific investor.

Long-Term. The Investment Manager expects that the profitability of many of the Master Fund's investments will be realized over long periods of time. The success of the Master Fund's long-term investment strategies depends upon the Investment Manager's ability to identify and purchase securities that are undervalued and

hold such investments so as to maximize value on a long-term basis. In pursuing any long-term strategy, the Master Fund may forego value in the short-term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not capture maximum available value in the short-term, which may be disadvantageous, for example, for Limited Partners who withdraw all or a portion of their Capital Accounts before such long-term value may be realized.

Changes in Market Environments. Certain of the trading strategies employed by the Investment Manager for the Master Fund make certain assumptions about the persistence of the market environment: the models assume that repeated past behavior of the markets can be used to predict the future, at least in limited ways. These strategies are developed by simulating the performance of a given strategy over historical data. At their core, financial and economic patterns are not immutable and there can be no guarantees that the relationships that appeared to govern financial instruments and their prices in the past will continue in the future.

While the Investment Manager will make efforts to estimate and control the risks associated with market changes, and will attempt to identify changes as they occur, market environment changes can be sudden and extreme. When these changes occur, certain market dynamics can make the changes more severe and can cause their adverse effects to spread to other markets not affected by the initial changes.

In particular, events can cause other market participants to liquidate large positions in a short period of time in order to raise capital, reduce risk or meet margin calls. To the extent that these market participants hold positions in a portfolio of strategies similar to that of the Master Fund, all of these strategies may begin to exhibit adverse returns and correlations not seen under normal markets, even if the initial changes were in markets in which the Master Fund was not involved. Unusual market developments can and have resulted in returns that are not consistent with past performance or correlation of strategies employed by the Master Fund.

Investments in a Wide Variety of Instruments. The assets of the Master Fund may be invested, directly or indirectly, on margin or otherwise, in a wide variety of instruments, such as interests commonly referred to as securities, other financial instruments issued by, entered into by or referenced to U.S. or non-U.S. entities and other assets, including, without limitation, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; equity and other derivative products, including (i) futures contracts (and options thereon) relating to stock indices, currencies, U.S. government securities and securities of non-U.S. governments, other financial instruments and all other commodities, (ii) swaps, options, warrants, rights and contingent value rights, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; loans; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds, exchange traded funds and similar financial instruments; money market funds; obligations of the United States or any non-U.S. government, or any country, state, governmental agency or political subdivision thereof; commercial paper; certificates of deposit; bankers' acceptances; choses in action; trust receipts; and any other instruments, rights, obligations or evidences of indebtedness of whatever kind or nature that exist now or are hereafter created that the Investment Manager

deems appropriate to implement the Master Fund's investment strategy (all such items being called herein **"Securities"**).

Use of Leverage. The strategy pursued by the Master Fund employs generally significant leverage and hence involves a high degree of risk and volatility. Failure to satisfy the terms of debt incurred by the Master Fund can have negative consequences, including forced liquidation of investments in order to satisfy the Master Fund's obligations. The Master Fund will, for example, trade on margin, which will result in interest charges that could be substantial and difficult to predict, particularly during periods of increasing interest rates. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses, which would be greater than if the Master Fund was not leveraged. The Master Fund is not subject to limitations on its use of borrowings, and in certain cases, borrowings may be used for cash management purposes, such as to satisfy the Funds' withdrawal requests. The rates at and terms on which the Master Fund can borrow from time to time will affect the operating results of the Funds and such effects may be material.

The instruments and borrowings utilized by the Master Fund to leverage investments may be collateralized by all or a portion of the Master Fund's portfolio. Accordingly, the Master Fund may pledge and/or charge securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged and/or charged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which it must either deposit additional funds or securities with the broker to compensate for such decline or suffer mandatory liquidation of the pledged and/or charged securities. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing on acceptable rates and terms to profitably execute its intended strategy. The "liquidity crisis" of 2007 and 2008 led to reduced lending levels on the part of numerous banks as well as withdrawn credit lines on the part of certain brokers, dealers, and banks, some of whom may have been able to assert essentially discretionary margins and collateral valuation policies; banks and brokerage firms could become illiquid once again and without warning. To the extent the Master Fund enters into financing facilities through total return swaps or other instruments, it may be subject to "mark-to-market" risk with respect to the value of certain collateral, and significant price movement may result in withdrawn financing lines. As a result, credit may become abruptly unavailable, and the Master Fund could be closed out of positions prematurely and at disadvantageous prices by certain brokers and dealers. The adverse effects of such close-outs could be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The failure to satisfy a margin call, or the occurrence of other material defaults under margin or other financing agreements, may trigger cross-defaults under the Master Fund's agreements with other brokers, lenders, clearing firms or other counterparties, magnifying the adverse impact on the Master Fund. Such circumstances may persist or recur, may lower the expected rates of return and may impede the Master Fund's ability to maintain or employ leverage or maintain positions, having a material adverse effect on the Master Fund's performance. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Master Fund's portfolio. If gains earned by the Master Fund's portfolio fail to cover such costs, the net asset value of the Master Fund may decrease faster than if there had been no borrowings. The

use of leverage also may result in the forced liquidation of positions (which might otherwise have been profitable) as a result of margin or collateral calls.

Inflation Risk. The U.S. and other developed economies are experiencing higher than normal inflation rates. It remains uncertain whether the substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time and how significantly it will impact the U.S. or global economy. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a portfolio company of the Funds is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Some countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies, including regions that the Master Fund may invest in. In an attempt to stabilize inflation, certain countries have imposed and may continue to impose wage and price controls at times or otherwise intervene in the economy and certain central banks have raised and may continue to raise interest rates. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed, and similar governmental efforts could be taken in the future to curb inflation and such efforts could have similar effects. Certain countries and regions, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the Funds' returns and their ability to fulfill their investment objectives.

Interest Rate Risk. Changes in interest rates can affect the value of the Master Fund's investments in fixed-income instruments. Increases in interest rates may cause the value of the Master Fund's debt investments to decline. During periods of rising interest rates, the average life of certain types of securities in which the Master Fund may invest may be extended, because borrowers choose not to repay principal on the loans to take advantage of a below-market interest rate. This extension risk increases the security's duration (the estimated period until the security is paid in full) and may reduce the value of the security. During periods of declining interest rates, an issuer of fixed-income securities may be more likely to exercise its option to prepay principal which may make an investment less profitable. This is known as call or prepayment risk.

Volatility Risk. The Master Fund's strategy involves a high risk of volatility. The prices of financial instruments in which the Master Fund may invest can be highly volatile and the leverage employed by the Master Fund may exacerbate such volatility. Price movements of assets in which the Master Fund may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Accordingly, the Master Fund's performance is expected to be

volatile. Use of leverage and a concentrated portfolio tend to magnify the gains and losses from investment activities and the overall volatility of the Master Fund.

Portfolio Turnover. In view of the fact that the Master Fund's investment program includes active trading, the turnover of the Master Fund's portfolio and brokerage commissions, fees, transaction costs and related taxes from time to time may be substantially greater than that of other types of investment vehicles. Such increased costs may have an adverse effect on the performance of the Master Fund.

Risk of Investment Concentration. The Master Fund will participate in a limited number of investments and, as a consequence, the Master Fund's aggregate return may be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since all of the Master Fund's investments cannot reasonably be expected to perform well or even return capital, for the Master Fund to achieve above-average returns, at least a few of the Master Fund's investments must perform very well. There can be no assurance that this will be the case. Investors have no assurance as to the degree of diversification of the Master Fund's investments, either by geographic region, asset type or sector and the Master Fund's portfolio will generally be concentrated. To the extent the Master Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. Furthermore, if a Limited Partner is invested in other investment funds investing in similar assets as the Master Fund, a Limited Partner may have exposure to investments through more than one fund, further increasing its exposure to concentrated risk of loss. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Master Fund faces concentrated exposure to certain risks. Conversely, the Investment Manager may encounter unexpected changes in the correlation of assets or markets, or basis risk due to, among other things, imperfectly matched debt maturities, which confound its attempts to hedge or limit risk and result in investment losses. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. In addition, other hedge funds may pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager attempts to identify, monitor and manage significant risks, these efforts may not necessarily take all risks into account and there can be no assurance that these efforts will be effective. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses for the Master Fund.

Business and Financial Risks. The Master Fund's investment portfolio may include securities within an issuer's entire capital structure (i.e., equity investments as well as debt investments), and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Equity Securities Generally. The majority of the Master Fund's investments are generally expected to be in equity and equity like securities. The equity markets are speculative and highly issuer-specific. The value of equity securities and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the

case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale. Mismanagement or misconduct by corporate officers can cause the complete loss of an equity investment, and the equity markets may be particularly susceptible to subjective investment factors and market sentiment. Common stock prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. The equity securities in which the Master Fund will invest may be among the most junior in a company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Master Fund's investments once made.

Preferred Stock. Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency, or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Exchange-Traded Funds. ETFs are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Master Fund's expenses, Limited Partners may also indirectly bear similar expenses of an ETF.

Non-U.S. Investments. A portion of the Master Fund's capital is expected to be invested outside the U.S. In addition, the Master Fund may invest in issuers that are organized, headquartered or principally operated in the United States that have material subsidiaries or operations in, material sales to, or other material exposure to foreign countries. Investments in and/or other material exposure to foreign countries involves certain risk factors not typically associated with investing in U.S. securities or instruments, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Master Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Master Fund invests; (iii) differences between the U.S. and foreign investment markets, including potentially greater price fluctuations and market volatility and also relative lack of liquidity of some foreign markets; (iv) different accounting, auditing and financial reporting standards, practices and disclosure requirements compared to

those applicable to U.S. companies; (v) varying levels of government supervision and regulation; (vi) higher rates of inflation; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) controls on, and changes in controls on, non-U.S. investment and limitations on repatriation of invested capital and on the Master Fund's ability to exchange local currencies for U.S. dollars; (ix) certain economic, social, and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, political hostility to investments by foreign or hedge fund investors, the risks of political, economic, or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (x) the possible imposition of foreign taxes on income and gains recognized with respect to such investments; (xi) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; and (xiii) less publicly available information. Additionally, the legal systems of some non-U.S. countries lack transparency or could limit the protections available to foreign investors, and the Master Fund's investments may be subject to nationalization and confiscation without fair compensation. Furthermore, political and social instability in the countries in which the Master Fund invests could adversely affect the Master Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In addition, in some countries there is greater acceptance than in the United States of government involvement in commercial activities, and corruption. The Master Fund generally does not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic, or social instability, or other economic or political developments could adversely affect the assets of the Master Fund held in a particular country.

Accounting, auditing, financial, and other reporting standards, practices and disclosure requirements in certain of the countries in which the Master Fund may invest are not equivalent to those in the United States and certain Western European countries and may differ in fundamental ways. Accordingly, information available to the Investment Manager, including both general economic and commercial information and information concerning specific enterprises or assets, may be less reliable and less detailed than information available in more economically sophisticated countries and less information may be available to investors. Assets and profits appearing on the financial statements of an Indian company, for example, may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with U.S. generally accepted accounting principles. As a result, the Investment Manager's due diligence activities may provide less information than due diligence reviews conducted in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the investments in these countries. While the Investment Manager will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that it will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

Non-U.S. Exchanges. The Master Fund expects to trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions, and custody fees.

Currency Exchange Exposure. The Master Fund may invest in securities denominated in currencies other than the U.S. Dollar. The Funds, however, value their securities in U.S. Dollars. The Master Fund may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that securities suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them, or that hedging techniques employed by the Master Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Master Fund's positions denominated in currencies other than the U.S. Dollar will fluctuate with U.S. Dollar exchange.

Initial Public Offerings; New Issues. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities. The Master Fund is permitted to purchase so called "new issues" without causing any Partner who would or might be deemed to come within the Financial Industry Regulatory Authority, Inc. ("FINRA") prohibition relating to new issues to violate the FINRA Conduct Rules. Specifically, if a Limited Partner is prohibited from participating in new issues or other restricted investments, under the Master Fund Partnership Agreement, the Master Fund General Partner is permitted to exclude the Series Capital Accounts relating to such Limited Partner from participating in some or all of the Master Fund's profits and losses arising from such restricted investments. The General Partner will have the discretion to determine who is not eligible, pursuant to FINRA's rules, to participate in new issues.

Small Companies. The Master Fund may invest a portion of its assets in small and/or companies newly publicly traded. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, operating history, financial resources, product diversification and competitive strength of larger companies, and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Master Fund invests, the Master Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Master Fund's other investments. In addition, in many instances, even if such companies are listed, the frequency and volume of their trading may be substantially less than is typical of securities

issued by larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations, reduced liquidity, losses and risks of insolvency or bankruptcy. The Master Fund may establish large positions in these companies' securities, representing a high percentage of the outstanding public float. When making large sales, the Master Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities. Further, research resources, third-party analysis and information relating to smaller companies may be less available than that in respect of larger companies, making it more difficult to research an investment and make an informed investment decision.

Deployment of Capital. In light of the Master Fund's investment strategy and the need to be able to deploy capital quickly to capitalize on potential investment opportunities, the Funds may from time to time maintain cash at the Master Fund level pending deployment into investments, which could at times be significant. Such cash may be held in an account of the Master Fund or may be invested in money market accounts or other similar temporary investments. In the event the Master Fund is unable to find suitable investments, such cash may be maintained at the Master Fund level for longer periods, which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into investments will generate significant interest, and investors should understand that such low interest payments (if any) on the temporarily invested cash may adversely affect overall Master Fund returns.

Highly Leveraged Companies. Investments in equity and debt of highly leveraged companies involve a high degree of risk. Some of the companies in which the Master Fund invest may use leverage, which will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their respective industries. For example, as a result of past financial crises, increased bank regulation and certain risk reduction by banks, companies that have historically relied upon borrowings from affected banks may face increased borrowing costs or an inability to finance their key operations or to refinance outstanding debt obligations. Companies that use leverage may be subject to restrictive financial and operating covenants that may impact the implementation of their business strategies. Moreover, rising interest rates may significantly increase such companies' interest expense, causing losses and/or inability to service debt levels. In the event any such company cannot generate adequate cash flow to meet debt service, or refinance debt, the Master Fund may suffer a partial or total loss of capital invested in the company, which, depending on the size of the Master Fund's investments, could adversely affect the return on the capital of the Master Fund.

Special Situations. The Master Fund may invest in companies involved in (or that are the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies, and similar circumstances. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will be unsuccessful, take considerable time, or result in a distribution of cash or a new security the value of which is less than the purchase price of the original security or other financial instrument. Similarly, if an anticipated transaction or reorganization does not in fact occur, the Master Fund may be required to sell its investment at a loss. Because there can be substantial uncertainty concerning the outcome of transactions involving companies in which the Master Fund invests, the Master Fund faces the possibility of substantial losses.

Unlisted Securities. Unlisted securities such as those sold under Regulation S or Rule 144A may involve higher risks than listed securities. While the Investment Manager generally intends to invest for the Master Fund in securities and instruments the Investment Manager, in its sole discretion, views as liquid, due to fact that unlisted securities are not traded on a regulated exchange, it may take longer to liquidate, or in certain cases it may not be possible to liquidate, positions in unlisted securities. Companies whose securities are not publicly traded may also not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Investments in Public Companies. The Master Fund will invest its assets predominately in publicly traded securities. The Master Fund's investments in securities of publicly traded companies will be sensitive to general fluctuations in the market prices of securities and trends in the overall economy, including changes in interest rates, and such fluctuations and trends may affect the value and liquidity profile of the investments held by the Master Fund. Instability in the securities markets, should it occur, would also increase the risks inherent in the Master Fund's investments. In addition, by investing in publicly traded securities the Master Fund will be subject to various federal and state securities laws (and non-U.S. securities laws) which may, among other things, restrict or limit the Master Fund's ability to sell an investment, including at times when the Investment Manager may be deemed to be in possession of material non-public information. While the Investment Manager generally intends to avoid obtaining material non-public information, such restricting information may from time to time be received, which would limit its ability to sell investments for the Master Fund, thereby increasing the Master Fund's risk of loss during periods of declining securities prices.

While the Investment Manager generally intends to make investments in liquid securities, the Master Fund may make investments in the securities of companies that have recently gone public and in the securities of other publicly traded companies that may be thinly traded, relatively illiquid or may cease to be publicly traded after the Master Fund invests. Should the Master Fund come to hold thinly traded or relatively illiquid securities, the Master Fund's sales of such securities could depress the market value of such securities. These circumstances or events could reduce the Funds' returns. Moreover, in such cases, the Investment Manager may be required to, or otherwise determine it is in the best interests of Limited Partners to, make distributions of such securities in kind to Limited Partners. If the market price of the distributed securities declines rapidly after such distribution, Limited Partners may not be able to realize the full value of the securities at the time of distribution.

Debt Securities. The Master Fund may invest in debt securities. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws and so-called lender liability claims by the issuer of the obligations. Further, the laws with respect to creditors and other investors in non-U.S. jurisdictions may not be as comprehensive or as well developed as in the United States, and the procedures for the judicial or other enforcement of such rights may not be as effective as in the United States. Additionally, adverse credit events with respect to any company the Master Fund has invested in, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of the Master Fund's investment in any such company. The Master Fund's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Master Fund earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless.

Accordingly, there can be no assurance that the Funds' rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral may allow the Master Fund to withstand certain assumed deficiencies in payments occasioned by an issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Master Fund in respect to its investment. Any subordinated investments held by the Master Fund will be subordinated to the senior obligations of the issuer. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the subordinated securities and 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.

Distressed Securities. Certain of the Master Fund's assets may from time to time be invested in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial or operating difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Investment in distressed securities involves a high degree of credit and market risk. Although the Investment Manager intends to make investments for the Master Fund that it believes have the potential for attractive risk-adjusted returns, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully restructured or transformed into profitable operating companies. During an economic downturn or recession, securities of distressed issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers. Distressed securities are less liquid and more volatile than securities of companies not experiencing financial or operating difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. Certain distressed investments from time to time held by the Master Fund may become not widely traded and in such event, the Master Fund's investment in such securities may be substantial relative to the market for such securities. As a result, the Master Fund may experience delays and incur losses and other costs in connection with the sale of such securities.

Sovereign Debt. Several factors may affect (i) the ability of a government, its agencies, municipalities or instrumentalities or its central bank to make payments on the debt each has issued ("**Sovereign Debt**"), including securities that the Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such Sovereign Debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on Sovereign Debt.

Economic disruptions in jurisdictions experiencing financial distress could lead to increased volatility in equity and other markets, and a sovereign default could lead to substantial losses in value in these markets, potentially compounded by currency and foreign exchange conversion restrictions. With regard to Europe, in the event that such disruption leads to the exit of one or more countries from the Euro currency there may be additional difficulties in analyzing and valuing holdings in such jurisdiction as a result of the change in reference currency. There is a possibility that an issuer/obligor might ultimately be permitted to repay its debt in a different, less valuable, security depending upon the governing law of the contract and the provisions, if any, therein regarding the risk of redenomination. Sovereign debt risk and pressure on bond and currency markets have from time to time been a drag on financial markets. The markets' perception of risk in certain countries has increased, raising the prospect of financial contagion across markets.

In the past, countries or territories (including Venezuela, Russia, Argentina and Puerto Rico) have encountered difficulties in servicing their external national or government debt obligations, which led to defaults on government obligations and the restructuring of certain indebtedness. It is unclear how the global economy will respond to the shock of certain sovereign defaults, and the risk remains that one sovereign default may have an adverse effect on the markets of both the defaulting country or territory and non-defaulting countries and/or territories.

Convertible Securities. The Master Fund may invest in convertible securities, which are bonds, debentures, notes, preferred stock or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The ability of a portfolio company to pay a dividend is limited to the extent that the company does not have sufficient legally available funds for distribution. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is largely determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Master Fund is called for

redemption, the Master Fund will generally be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Funds' ability to achieve their investment objective.

Non-Control Investments. The Master Fund will generally hold a non-controlling interest in its portfolio companies and, therefore, may have a limited ability to protect its positions in such companies. In these cases, the Master Fund will be significantly reliant on the existing management and/or board of directors of such companies, which may include representatives of other financial investors with whom the Master Fund is not affiliated and whose interests may conflict with the interests of the Master Fund.

Investments in Special Purpose Acquisition Companies. Issuers in which the Master Fund is invested may invest in "special purpose acquisition companies" ("**SPACs**"). A SPAC is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person. Because SPACs have broad discretion to select potential business combinations (subject to industry, geographic or other limitations, if any), it is not possible for an investor in a SPAC to ascertain the merits or risks of investing in a particular SPAC and such investor would be dependent upon the integrity, skill and judgment of the management team of the applicable SPAC. The officers and directors of a SPAC will generally not be required to commit their full time to the affairs of the blank check company, which may result in a conflict of interest in allocating their time between the operations of the SPAC and their own business interests. If the officers' and directors' other businesses and affairs require them to devote more substantial amounts of time to such affairs, it may negatively impact the ability of the SPAC to identify and complete a business combination with an operating company. In addition, officers and directors of a SPAC may become involved with other SPACs in which such investor does not invest which may engage in similar business opportunities. Accordingly, the officers and directors may have conflicts of interest in determining to which entity a particular business opportunity should be presented. There can be no assurance that the business opportunity will be presented to the applicable SPAC.

SPACs may encounter intense competition from other entities having similar business objectives, such as venture capital funds, leveraged buy-out funds and other private equity entities, as well as operating businesses competing for acquisitions. If a SPAC that is unable to effect a business combination, the investors will receive their share of the proceeds held in trust, subject to reduction if third-party claims are made against the SPAC or escrow. If an investor were to acquire warrants in a dual deal structure, the such investor may lose the entire value of such warrants if a business combination cannot be effected by such SPAC.

If an investor invests in the sponsor of a SPAC ("**Sponsor Equity**") that is unable to effect a business combination, such investor may lose the entire value of the Sponsor Equity if a business combination cannot be effected by that SPAC. In addition, the stock and/or warrants owned by the SPAC sponsor may be subject to certain lock-up periods following a business combination. While the Investment Manager does not expect the Master Fund to invest directly in SPACS, it may determine to do so in the future, in which case the Master Fund would be subject to the risks described above.

High-Yield" Bonds and Unrated or Non-Investment Grade Securities and Instruments. The Master Fund may invest in private sector and government debt securities and instruments, including, without limitation, "higher-

yielding” (and, therefore, generally higher-risk) debt securities and other subordinate debt obligations. Such securities and instruments may be unrated or below “investment grade” and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments. In addition, such securities and instruments generally are not exchange-traded and, as a result, trade in the OTC marketplace, which is less transparent and may have wider bid/ask spreads than the exchange-traded marketplace. The Master Fund may also invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Furthermore, it is likely that a major economic recession or financial crisis could have a materially adverse impact on the value of such securities and instruments or otherwise increase the incidence of defaults. High-yield securities and instruments have historically experienced greater default rates than has been the case for investment-grade securities. The market values of certain of these lower-rated debt securities and instruments tend to reflect individual corporate developments to a greater extent than do higher-rated securities and instruments, which would be expected to be more correlated to fluctuations in the general level of interest rates. The markets for high-yield securities and other lower-rated securities and instruments tend to be more volatile, less liquid and less active than those for higher-rated securities and instruments, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities and instruments at times of market dislocation. High-yield securities and instruments may be subordinate to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer’s assets. High-yield securities and instruments may also not be protected by financial covenants or limitations on additional indebtedness. Some issuances may be held by a small number of holders, and there may be little or no liquidity in markets for these securities and instruments even absent market dislocation.

Bank Loans. The Master Fund may invest in bank loans and participations. These obligations are subject to unique risks, including, without limitation: (i) the possible invalidation or compromise of an investment transaction as a fraudulent conveyance or preference under relevant creditors’ rights laws; (ii) challenges to the validity or seniority of bank claims and guarantees; (iii) so-called lender-liability claims by the issuer of the obligations; (iv) environmental liabilities that may arise with respect to collateral securing the obligations for certain of which lenders may have liability; (v) limitations on the ability of the Master Fund to directly enforce its rights with respect to participations; (vi) long and less certain settlement periods; and (vii) adverse consequences resulting from participating in such instruments with other institutions of lower credit quality. Successful claims by third parties arising from these and other risks would be borne by the Master Fund. While the Master Fund intends to invest in securities and other instruments, including bank loans, with active trading markets, circumstances can arise that can cause bank loans, like other instruments, to become illiquid and subject to only limited trading. For example, market liquidity may become constrained during periods of volatility in the credit markets. Should a bank loan become illiquid or less liquid, it will often trade at a discount to comparable, more liquid investments. In addition, because of the provision of confidential information, the unique and customized nature of a loan agreement and the private syndication of a loan, certain bank loans may not be purchased or sold as easily as publicly traded securities, particularly as a result of the increased degree of complexity in negotiating a secondary market purchase or sale which complexity does not exist, for example, in the high-yield bond market. Bank loans may encounter trading delays due to their unique and customized nature, and transfers may be prohibited without the consent of an agent bank or borrower.

Bank loans may become non-performing for a variety of reasons. Non-performing bank loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal of the loan and/or the deferral of payments. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. The Master Fund may incur additional expenses to the extent it is required to seek recovery upon a default on a bank loan or participate in the restructuring of such obligation. The Master Fund may also be unable to participate in the restructuring of such obligation due to its status as an offshore fund, which could result in it receiving less favorable terms than if it would have participated actively in such restructuring activities. Although the Investment Manager may exercise voting rights with respect to an individual bank loan on behalf of the Master Fund, there can be no certainty that the Investment Manager will be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such bank loan to determine the outcome of such vote. To the extent that the Master Fund acquires loans, it may be subject to additional risks, including those related to lender liability, liability to syndicate members or later purchasers, tax risks, and protracted, expensive and resource-intensive workouts or other restructurings.

Securities Becoming Illiquid. Even those markets which the Investment Manager expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid. Accordingly, certain securities from time to time held by the Master Fund may become illiquid because, for example, there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Master Fund may not be able to sell them when it desires to do so or to realize what the Investment Manager perceives to be their fair value in the event of a sale. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. As a result, the Master Fund may be required to hold such securities despite adverse price movements and payment of withdrawal proceeds to Limited Partners may be made in kind (including, without limitation, in the form of special purposes vehicles holding securities or participation in securities), as further described herein.

Credit-Rating Risk. A credit-rating agency is a private company that assigns credit ratings to some types of fixed-income obligations. Such ratings measure creditworthiness and affect the value of those obligations. Ratings assigned to fixed-income securities by credit-rating agencies are intended to indicate different levels of risk that a fixed-income security will pay its principal and interest to investors as and when required. Ratings are based on various factors, such as the fixed-income security's seniority in the capital structure of its issuer, credit characteristics, collateral composition, if any, degree of diversification, weighted average life of the collateral, if any, and the legal structure of the issuer. Such ratings are subject to limitations. An issuer's rating is heavily weighted by historical data and does not necessarily reflect future conditions. In addition, the rating agencies may have difficulty rating and monitoring mortgage-related securities through different economic cycles. If rating agencies incorrectly rate, or downgrade ratings on, fixed-income securities, the value of the securities may decrease substantially.

Short Sales. The Master Fund may sell investments short. Selling investments short runs the risk of losing an amount greater than the amount invested. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of an investment may appreciate before the short position is

closed out. A short sale may result in a sudden and substantial loss if, for example, an acquisition proposal is made for the subject company at a substantial premium over market price. In addition, the supply of investments which can be borrowed fluctuates from time to time. The ability to sell investments short will be a useful element of the Master Fund's management of certain investments. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Master Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is a risk that the Master Fund would have to return the securities it borrows, in connection with a short sale, to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Master Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. Events in the recent past have witnessed various governmental entities place limitations and conditions on the ability to enter into or utilize short sales and other similar transactions or instruments. There can be no assurance that there will not be any further regulation or similar governmental initiatives regarding short sales in the future.

Hedging Policies/Risks. The Master Fund expects to employ hedging techniques, including, but not limited to, put and call options, designed to reduce the risks of adverse movements in securities prices, market volatility, and currency exchange. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the Master Fund's use of these hedging mechanisms, unanticipated changes in securities prices, or currency exchange rates may result in a poorer overall performance for the Funds than if the Master Fund had not entered into such hedging transactions. For example, to complete a short sale, the Master Fund generally must borrow the securities from a third party in order make delivery to the buyer. The Master Fund will be obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrowed by purchasing them at the market price at the time of replacement. Theoretically, short selling may be subject to unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed. As a hedging technique, the Master Fund may also purchase exchange-listed and over-the-counter put and call options on specific securities or write and sell covered or uncovered call and put option contracts. Use of put and call options by the Master Fund may result in losses to the Funds, force the sale or purchase of portfolio securities at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Master Fund can realize on its investments or cause the Master Fund to hold a security it might otherwise sell. For example, a decline in the market price of a particular security could result in a complete loss of the amount expended by the Master Fund to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the Master Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to the Master Fund than other forms of options transactions. The success of the Master Fund's hedging strategy will depend, in part, upon 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 portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Master 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 Master Fund expects to enter into hedging transactions to seek to reduce risk, such transactions may be costly and result in a poorer overall performance and increased (rather than reduced) risk for the Master Fund than if it had not engaged in any such hedging transactions. Moreover, it should be noted that a portfolio will always be exposed to certain risks that will not or cannot be hedged, and that the Investment Manager may not anticipate a particular risk so as to cause the Master Fund to hedge against it. In addition, the Investment Manager may choose not to enter into hedging transactions with respect to some or all of the Master Fund's positions.

Derivatives in General; Hedging and Swaps. The Master Fund has broad flexibility to invest in a wide range of investments, including a variety of derivatives and financial instruments, including short sales, options, swaps, caps and floors, futures and forward contracts, and similar derivative transactions involving or relating to interest rates, credit risks, non-U.S. currencies, commodities, securities, investment fund interests, indices, prices or other items, both for investment and risk management purposes. The use of derivative instruments involves a variety of material risks, including market risk, liquidity risk, credit risk, legal risk, operations risk, and other risk due to the extremely high degree of leverage sometimes embedded in such instruments. Derivatives typically allow an investor to hedge or speculate upon the price movements of the underlying asset at a fraction of the cost of acquiring, borrowing or selling short the underlying asset. While the Master Fund may enter into derivative transactions to seek to reduce risk, such transactions may not be fully effective in mitigating risks in all market conditions or against all types of risk (including unanticipated risks), thereby causing the Master Fund to incur losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses. Accordingly, such derivative transactions may result in poorer overall performance for the Funds than if the Master Fund had not engaged in such transactions.

The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading, including risks relating to interest rates, taxes, changing supply and demand relationships, policies of governments, and national and international political and economic events. However, there are a number of additional risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose the Master Fund to the possibility of a loss exceeding the original amount invested. Derivative instruments may not always be liquid, so that in volatile markets the Master Fund may not be able to close out a position without incurring a loss. Daily limits on price fluctuations and speculative position limits on exchanges on which the Master Fund may conduct its transactions in derivative instruments may prevent profitable liquidation of positions, potentially subjecting the Master Fund to greater losses. In addition, in swap transactions, because the Master Fund will not have a contractual relationship with the issuer of the underlying reference obligation, the Master Fund will generally not have the benefit of voting rights or the collateral supporting the reference obligation and the liquidity of the swap may be constrained in certain cases pursuant to contract and the swap counterparty's ability and willingness to novate, close, or otherwise modify the trade. Transactions in certain derivatives are subject to mandatory clearing and exchange trading

requirements and to regulatory oversight, while other derivatives are subject to risks of trading in the OTC markets or on non-U.S. exchanges. It is expected that many more derivatives will become subject to these mandatory clearing and exchange trading requirements in the future. Additional risks associated with derivatives trading include those described below.

The use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the investments hedged; (ii) imperfect correlation between movements in the investments on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited. Finally, the Investment Manager may decide not to hedge against, or may not anticipate, certain risks and the Funds will remain exposed to certain risks that cannot be hedged in some instances.

The Master Fund may also enter into bilateral swap transactions. A bilateral swap transaction is an individually negotiated, non-standardized agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, commodity prices, exchange rates, indices or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. Bilateral swap contracts and similar derivative contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, when participating in bilateral swap transactions, the Master Fund is subject to the risk of the inability or refusal on the part of the counterparty to perform under such contracts, which could result in unexpected, material losses.

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

The Master Fund may also incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire premium in the put option. OTC options may also expose the Master Fund to counterparty risk.

Warrants. The Master Fund may receive or invest in warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Master Fund's ability to exercise the warrants or rights at such time, or in such quantities, as the Master Fund would otherwise wish.

Credit Default Swaps. The Master Fund may take short and/or long positions in securities by entering into credit default swap ("CDS") contracts referencing such securities or an index of such securities. The CDS transaction market can be extremely volatile and the Master Fund's financial results may be negatively affected as a result of a variety of factors relating to the credit swap market, including changes in the overall economy, supply and demand conditions in the credit default swap market and other factors affecting the corporate credit markets in general. Under certain market conditions, the Master Fund may not be able to terminate, novate or assign CDS transactions in a timely fashion and for a fair price when desired, if at all. The Master Fund may be required to seek the consent of a relevant CDS counterparty before assigning or transferring any CDS transaction, which may cause delays or force the Master Fund to terminate such CDS transaction. In addition, the tax treatment of credit default swaps is unclear, and there can be no assurance that the IRS will agree with the Master Fund's treatment of these instruments.

Contracts for Differences. Contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. While the Master Fund intends to purchase investments that have liquid markets, there may be liquidity risk if the underlying instrument in a CFD becomes illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying security may require the buyer to make additional margin payments. To the extent that there is an imperfect correlation between the return on the Master Fund's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Master Fund's financial risk.

Forward Contracts. The Master Fund may enter into forward contracts, including non-deliverable forwards. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to

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

Futures Contracts. The Master Fund may use futures as part of its investment program. Futures positions may be less liquid, or in some cases illiquid, because certain regulators or commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavorable positions and subject it to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that, on an aggregate basis, the Master Fund and other clients of the Investment Manager may indirectly hold or control in particular commodities. It is possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. If the Investment Manager elects to transact in non-U.S. futures, the Master Fund could be exposed to additional risks associated with less or varying regulation and less predictable legal protections for futures than in U.S. futures transactions. Foreign futures or options contracts may also be subject to foreign exchange risks.

Illiquidity and Credit Risk of Derivative Instruments and OTC Trading. The Master Fund may occasionally enter into transactions involving privately negotiated OTC derivative instruments, including, among others, instruments such as interest rate, volatility, foreign currency, equity and equity index swaps, OTC options and forward contracts on securities, security indices and foreign currencies. While the Investment Manager generally intends to invest for the Master Fund in securities and instruments the Investment Manager, in its sole discretion, views as liquid, there can be no assurance that a liquid secondary market will exist for any particular derivative instrument at any particular time. Although OTC derivative instruments are designed to meet particular financing needs and, therefore, typically provide more flexibility than exchange-traded products, the risk of illiquidity is also greater as these instruments can generally be closed out only by negotiation with the other party to the instrument. OTC derivative instruments, unlike exchange-traded instruments, are not guaranteed by an exchange or clearinghouse and thus are generally subject to greater credit risks and the possibility of non-performance by the counterparty. Derivative instruments that may be purchased or sold by the Master Fund may include instruments not traded on an exchange. The risk of

nonperformance by the obligor on such an instrument may be greater than the risk associated with an exchange-traded instrument. The Master Fund may also not be able to dispose of, or enter into a closing transaction with respect to, such an instrument as easily as in the case of an exchange traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Although, the Dodd-Frank Act has significantly increased the level of government regulation of OTC derivative transactions, derivative instruments not traded on exchanges are not subject to the same degree of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with the transactions with respect to these instruments. Further, the tax environment for derivatives is evolving and changes in the taxation of derivative instruments may affect the value of the derivative instruments held by the Master Fund and the implementation of the Master Fund’s strategy.

Counterparty Risks from Derivatives. OTC markets have different counterparty credit risks than products that are traded through CCPs. In the OTC derivatives markets, the Master Fund could enter into an agreement directly with dealer counterparties which may expose the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the agreement (whether or not bona fide). OTC markets may lack the established rules and procedures for swift settlement of disputes among market participants in “exchange-based” markets. In particular, trades of OTC debt instruments could take more time to resolve disputes and may have significantly longer settlement periods than other securities. These factors may cause the Master Fund to suffer a loss due to adverse market movements or increased counterparty risk while parties resolve the dispute and during any delayed or lengthy settlement period.

Certain OTC derivative agreements require that the Master Fund post collateral. Collateral that is not segregated with a third-party custodian and is on deposit with a counterparty to support the Master Fund’s trading may not have the benefit of customer-protected “segregation” of such funds. In the event that a counterparty were to become insolvent, the counterparty may not return the Master Fund’s collateral or the counterparty may take a significant amount of time to return the collateral. Further, the Master Fund may be prevented from terminating an OTC agreement for a period of time even if its counterparty defaults. This delay could have a significant adverse financial impact on the transaction if the market were to move against the Master Fund’s positions.

To the extent the Master Fund obtains exposure to a security or instrument through an OTC derivative or other instrument, such as a bank debt participation, the Master Fund may not be able to exercise rights incidental to actual ownership of the underlying security or instrument, including without limitation, voting rights, the right to participate in tender offers, meeting and information rights, and under certain circumstances, the Master Fund’s ability to dispose of the instrument may be contractually or practically less flexible than it would be if the Master Fund held the instrument directly. “Counterparty risk” also is present in certain swaps and CFD transactions, as well as other OTC derivative transactions, debt trades and foreign exchange contracts and is accentuated for contracts with longer maturities where events may intervene to prevent settlement. Some agreements in the foreign exchange market are not regulated by any regulatory body, and such agreements are not guaranteed by an exchange or its clearinghouse. Consequently, there may be no requirements imposed on a counterparty with respect to financial responsibility or segregation of

customer funds or positions. As a result, trading in interbank foreign exchange agreements may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with the Master Fund has a forward contract. The Master Fund may concentrate its trading of derivatives and OTC instruments with a particular counterparty and, therefore, if such counterparty becomes insolvent or incurs liquidity issues, losses could be greater than if the Master Fund had spread such trading amongst multiple counterparties.

Digital Assets. Bitcoin, Bitcoin-related assets and derivative digital assets, various digital currencies, decentralized application tokens and protocol tokens, app coins, blockchain-based assets, and other related instruments, including investment funds and trusts holding such assets (collectively, “**Digital Assets**”), are a new and evolving asset class. The Master Fund may invest in issuers that invest in or otherwise have exposure to Digital Assets. The characteristics of particular Digital Assets within the “class” may differ significantly, and the investment characteristics of Digital Assets as an asset class differ from those of traditional currencies, securities and commodities. Digital assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code, not by a central bank. Digital currency exchanges are also subject to a variety of risks, including manipulation of digital currency markets by digital currency exchange customers, closures or temporary shutdowns due to fraud, business failure, hackers or malware, or government-mandated regulation, which could negatively impact the value of both the digital assets traded on such exchanges as well as any derivatives or futures referencing such instruments. Investors in Digital Assets also face various risks relating to counterparties acting as custodian for Digital Assets (e.g., such parties may become insolvent or be subject to cybersecurity hacks or commit fraud), or, if they possess custody of such Digital Assets directly, face risks related to safeguarding such assets (e.g., due to existing or new technological threats), resulting in Digital Assets being subject to theft, loss, destruction or other attack. Most Digital Assets are controllable only by the possessor of unique private keys relating to the blockchain addresses or wallets in which the Digital Assets are held. To the extent a private key of such Digital Assets is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Digital Assets held in the related wallet will be inaccessible, and the private key will not be capable of being restored. The prices of Digital Assets have been extremely volatile and the prices of digital assets and as result, derivatives or futures in respect of such assets, will also be impacted by supply and demand, investors’ expectations with respect to the rate of inflation, interest rates, currency exchange rates and regulatory measures (if any) that restrict the trading of digital assets or the use of digital assets as a form of payment. Digital assets and derivatives and futures on such assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital assets have not yet been widely adopted as a means of payment for goods and services by major retail and commercial outlets. There is no assurance that digital assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of digital asset payments by mainstream retail merchants and commercial businesses will continue to grow. A significant portion of the demand for digital assets is generated by speculators and investors seeking to profit from the short or long-term holding of digital assets. The relative lack of acceptance of digital assets in the retail and commercial marketplace limits the ability of end-users to pay for goods and services with digital assets. The foregoing risks could materially and adversely impact the value of the Master Fund’s holdings in issuers that have exposure to Digital Assets. In the event the Master Fund in the future determines to invest in Digital Assets directly (or indirectly through one or more subsidiaries), the Master Fund (or such subsidiaries) will be exposed to the foregoing risks directly (or through such subsidiaries).

Loans of Portfolio Securities. The Master Fund may loan securities in its portfolio on terms customary in the securities industry or enter into other transactions constituting a loan of the Master Fund's assets. By entering into such transactions, the Master Fund seeks to increase its income through the receipt of interest on the loan. In the event of the bankruptcy or insolvency of the counterparty to the securities loan, the Master Fund could experience delays in recovering the securities it lent. To the extent that the value of the securities lent by the Master Fund increases in value, the Master Fund could experience a loss if such securities are not recovered.

Investment Risks Related to Natural Disasters, Health Epidemics and other Unforeseen Events. The Investment Manager's business and the investments of the Master Fund could be materially and adversely affected by events outside of the Investment Managers' control, such as natural disasters, health epidemics and wars, including Russia's recent invasion of Ukraine, and/or terrorism. Certain issuers in which the Master Fund may invest, and the Investment Manager's operations, are subject to relatively infrequent but potentially severe risk of loss resulting from the occurrence of one or more catastrophic events or natural disasters, such as floods, wildfires, earthquakes, hurricanes, tsunamis, volcanic eruption or nuclear meltdowns, or due to terrorist events or the impact of wars. If any such event or disaster should occur, the Master Fund's investments may be directly impacted by such loss, or operations at one or more of the issuers in which the Master Fund is invested may halt, either completely or for extended periods of time, as such disasters may destroy or impair the ability of such companies to make use of their facilities or obtain the supplies necessary to operate. In addition, the occurrence of any such event may cause instability in the world financial markets and may generate global economic instability. Further, in the event of a widespread disaster, insurers with whom issuers in which the Master Fund is invested may hold policies may become insolvent and unable to pay claims, or affected issuers may incur losses in excess of insured limits. Any of these events may severely impact the performance of the Master Fund. In addition, certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, hurricanes, terrorist attacks, floods or other similar events, may be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, the General Partner and Investment Manager will have discretion as to the type and level of coverage to obtain, or whether to obtain insurance at all.

Similarly, the Investment Manager and the Funds may be materially and negatively impacted by health epidemics and pandemics including novel viral illnesses such as Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), H1N1 Flu (Swine Flu), and COVID-19. The impacts of these outbreaks on human health as well as on the local and global economy have varied and, in certain cases, have been substantial. It is not possible to estimate accurately the ultimate impact of any such outbreak at its onset. Measures taken by governments and the private sector to mitigate the spread of such illness, including travel restrictions and bans, quarantines, school and business closures, and work-at-home mandates, may have material impacts on the local and global economy and markets, including reductions in consumer demand and economic output and on the Investment Manager's operations. Policies implemented by regulators and exchanges, such as trading market closures, short selling bans, rent moratoriums and other restrictions may not be effective in mitigating market volatility that may arise, and may in fact further exacerbate such volatility.

General Economic and Market Conditions; Financial Market Fluctuations. The private funds industry generally and the success of the Master Fund's investment activities will be affected by general economic

and market conditions, as well as by changes in laws, currency exchange controls and national and international political and socioeconomic circumstances. Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, national or global financial crises, virus or disease epidemics or other sources of political, social, or economic unrest. Such erosion of confidence could lead to or extend a national or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty or general economic downturn could have an adverse effect upon the Master Fund's investments. There can be no assurance that the market will, in the future, remain as liquid as it is at present, and it may experience periods of volatility in the future. The Master Fund may be adversely affected to the extent that it seeks to dispose of any of its investments into an illiquid or volatile market, and the Master Fund may find itself unable to dispose of an investment at a price that the Investment Manager believes reflects the investment's fair value. A sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Master Fund's profitability and impair the Master Fund's ability to effectively exit its investment on favorable terms. Any of the foregoing events could result in substantial or total losses to the Master Fund in respect of certain investments.

Volatility and instability in the securities markets or in interest rates may also increase the risks inherent in the Master Fund's investments and may reduce the availability of attractive investment opportunities for the Master Fund. The ability of issuers in which the Master Fund may invest to refinance debt securities may depend on their ability to sell new securities or loans in the high yield debt or bank financing markets, which historically have been cyclical with regard to the availability of financing. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

Moreover, to the extent that marketplace events such as the deterioration of the global credit markets in the aftermath of the global financial crisis of 2007-2008 were to occur in the future, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Master Fund has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Master Fund may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Master Fund's returns. Such marketplace events also may restrict the ability of the Master Fund to sell or liquidate investments at favorable times or for favorable prices and may negatively impact potential buyers of the Master Fund's investments.

Major Market Disruptions; Governmental Intervention. The global financial markets have in prior years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention, and extensive and unprecedented governmental intervention may increase in connection with the global spread of COVID-19 and public and private measures undertaken in relation thereto. Such

intervention has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. Future disruptions may result in similar government interventions. As one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action, such interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Master Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Master Fund from banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Master Fund. Market disruptions may from time to time cause dramatic losses for the Master Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

United Kingdom Relations with the European Union. The U.K. formally left the EU on January 31, 2020. There followed an implementation period, during which EU law continued to apply in the U.K. and the U.K. maintained its EU single market access rights and EU customs union membership. The implementation period expired on December 31, 2020. Consequently, the U.K. has become a third country vis-à-vis the EU, without access to the single market or membership of the EU customs union.

On December 30, 2020, the U.K. and the EU signed a trade and cooperation agreement (the “TCA”) to govern their ongoing relationship. The TCA was officially ratified by the U.K. Parliament on December 30, 2020 and by the EU Parliament and Council on April 29, 2021. It is anticipated that further details of the relationship between the U.K. and the EU will continue to be negotiated even now that the TCA has been formally ratified.

Over time, U.K. regulated firms and other U.K. businesses may be adversely affected by the terms of the TCA, as compared with the position prior to the expiration of the implementation period on December 31, 2020. For example, the TCA introduces new customs checks, as well as new restrictions on the provision of cross-border services and on the free movement of employees. These changes have the potential to materially impair the profitability of a business, and to require it to adapt or even relocate.

Investors should also be aware of the ongoing disagreements between the U.K. government and the EU regarding the Northern Ireland Protocol (“NIP”). The NIP is part of the arrangements put in place as part of the TCA to address cross-border trade in goods between Great Britain, Northern Ireland and the EU. The U.K. government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented and has indicated it may take action to suspend and/or override aspects of the NIP. The European Commission has stated it would take retaliatory measures in response to U.K. government actions.

Although it is probable that any adverse effects flowing from the U.K.’s withdrawal from the EU will principally affect the U.K. (and those having an economic interest in or connected to, the U.K.), given the size and global significance of the U.K.’s economy, the effect of the U.K.’s withdrawal from the EU is also likely to be an ongoing source of instability for the EU (and countries outside the EU), produce significant currency

fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The ongoing effects of the withdrawal of the U.K. from the EU could therefore adversely affect the Funds. In addition, the withdrawal of the U.K. from the EU could have a further destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to the Funds.

Chinese Growth Slowdown; Chinese Economy. China is the world's largest economy (measured based on purchasing power parity), and the largest trading partner for many countries in the Asia Pacific region, including Australia and Korea. The Chinese government has in recent years implemented a number of measures to control the rate of economic growth, including by raising interest rates and adjusting deposit reserve ratios for commercial banks, and through other measures designed to tighten credit and liquidity. While the Chinese economy has shown signs of improvement, a slowing of China's GDP growth rate could have a systemic impact on the global economy, and could have an adverse effect upon the Master Fund's investments.

Trade Policy Uncertainty; Political Tensions between the United States and China. Political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto and has imposed tariffs on certain foreign goods. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Political tensions between the United States and the People's Republic of China ("PRC") have escalated since the COVID-19 outbreak, the PRC National People's Congress' passage of Hong Kong national security legislation and the executive orders issued by former U.S. President Trump in August 2020 that prohibit certain transactions with ByteDance Ltd., Tencent Holdings Ltd. and the respective subsidiaries of such companies as well as the executive order issued by former U.S. President Trump in November 2020 that prohibits U.S. persons from transacting publicly traded securities of certain "Communist Chinese military companies" named in such executive order. Rising political tensions could reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. The Master Fund's investments may include issuers exposed to risks relating to the activities of the PRC or the activities between the PRC and the U.S. and any of these factors could have a material adverse effect on securities prices and the liquidity of the Master Fund's investments.

Russian Invasion of Ukraine. On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Memorandum, the countries remain in active armed conflict. Around the same time, the U.S., the U.K., the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Master Fund is expected to invest), and therefore could adversely affect the performance of the Master Fund's investments.

The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Master Fund and the performance of its investments and operations, and the ability of the Funds to achieve their investment objectives. Similar risks will exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Middle East. The Middle East has been subject to political and security concerns and social unrest, especially in recent years. For example, since 2011, a number of countries have witnessed significant social unrest, including widespread public demonstrations, and, in certain cases, armed conflict, terrorist attacks, diplomatic disputes, foreign military intervention and a change of government. In particular, since October 7th, 2023, Israel and Hamas have been engaged in active armed conflict. The ongoing conflict and rapidly evolving measures in response could have a negative impact on the economy and business activity in the Middle East and other markets and therefore could adversely affect the performance of Master Fund's investments. The severity and duration of the conflict are impossible to predict, and as a result, present material uncertainty and risk with respect to the Master Fund and the performance of its investments and operations, and the ability of the Master Fund to achieve its investment objectives. To the extent the conflict persists and spreads to other countries, the foregoing risks will be increased materially. The United States has announced sanctions and other measures against Hamas-related persons and organizations, and the United States (and/or other countries) may announce further sanctions related to the ongoing conflict in the future. Risks related to sanctions described elsewhere herein (including "Russian Invasion of Ukraine" above and "OFAC, FCPA and Similar Considerations" below) apply to such sanctions as well.

Social Media-Related Trading Volatility. Several securities have recently been targeted for trading by participants on social media platforms. Recent changes to market structures and the low cost of trading for retail clients may exacerbate the volume of trading related to social media attention. This volume may be significant and may result in dislocations of security prices. Furthermore, many of the securities targeted have been in part due to the amount of short interest in such securities. To the extent the Master Fund takes short positions in public securities (especially if other actors, particularly private funds, also trade a substantial amount and/or take short positions in such public securities), the short interest may attract social media attention and related trading.

The volume of trading related to social media attention may be significant. As the borrowing costs increase as the price of the security increases, social media-related trading may cause the Master Fund, with respect to short positions, to incur outsize losses or to exit short positions earlier than the Investment Manager would normally exit such a position. In addition, if the Master Fund (or the Investment Manager) is targeted by social media groups, the Master Fund's publicly reported short positions, including put options, may attract buying. It is possible that governments as well as regulatory bodies may react to the market volatility related to social media-related trading and restrict, or require the public reporting of, short positions, which may limit the Investment Manager's ability to achieve the Master Fund's investment objective.

Systemic Risk. All asset classes (including derivative instruments) may be subject to systemic risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent institutions. Systemic risk may

adversely affect financial intermediaries, such as central counterparties, futures commission merchants, banks, securities firms and exchanges with which the Master Fund interacts on a daily basis.

Regional Risk; Interdependence of Markets. Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. The market and the economy of a particular country in which the Master Fund invests is influenced by economic and market conditions in other countries in the same region or elsewhere in the world. For example, financial turmoil in certain countries in the Asia Pacific region in the late 1990's adversely affected Asian economies generally. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Foreign Investment Controls. Foreign investment in securities of companies in certain of the countries in which the Master Fund may invest is restricted or controlled to varying degrees. Some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of the Funds. While regulation of foreign investment has liberalized in many countries in recent years, there can be no assurance that more restrictive regulations will not be adopted in the future. Moreover, while the Investment Manager believes its investment structures will not subject the Master Fund's investments to the most prohibitive of foreign investment and repatriation restrictions, there can be no assurances that authorities will agree that such investment structures do not trigger such restrictions, or that the law will not change such that additional governmental approvals are required, the Master Fund's investments are restricted or prohibited or repatriation of proceeds are taxed, restricted or otherwise prohibited. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by foreign investors and foreign currency. For example, some governments have in the past, and may in the future, impose controls and/or procedural requirements on the convertibility of their currencies into foreign currencies and the remittance of currency from such countries to other jurisdictions in certain circumstances (including controls based on the category of remittance to be made, e.g., current account items such as payments to suppliers for imports, labor, services and payments of interest on foreign exchange loans and capital account-related payments, such as the repayment of bank loans denominated in foreign currencies or direct investment). Accordingly, deteriorations in a country's balance of payments or a number of other circumstances, could cause governments to impose temporary restrictions on capital remittances abroad. The Master Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities or other assets held by the Master Fund, and income on such securities or other assets or gains from the disposition of such securities or other assets may be subject to withholding taxes imposed by certain jurisdictions.

Recent Developments in the Banking Sector. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or

rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. In particular, recent bank closures in the United States and Europe have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions—in particular smaller and/or regional banks but also certain global systemically important banks—have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by governmental agencies to stabilize the banking sector and to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, will be similarly impacted, and it is uncertain what steps (if any) regulators would take in such circumstances. There can be no assurances that the Funds will establish banking relationships with multiple financial institutions. Uncertainty caused by recent bank failures—and general concern regarding the financial health and outlook for other financial institutions—could have an overall negative effect on banking systems and financial markets generally. There is a risk that these recent developments will also have other implications for broader economic and monetary policy, including interest rate policy, and may impact the financial condition of banks and other financial institutions globally. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Funds or their performance.

Material, Non-Public Information. While the Investment Manager generally intends to avoid obtaining material non-public information with respect to public securities, the Investment Manager may acquire confidential or material non-public information or otherwise be restricted from initiating transactions in certain securities. The Master Fund will not be able to act upon any such information. Due to these restrictions, the Master Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, which could cause the Master Fund to incur losses should the prices of any such investments decline during the period the Master Fund is unable to transact.

Limited Information. In general, the Master Fund's investments will be made based on "publicly available" information available to the public at large. The Investment Manager will generally not have or seek additional private access to the records, facilities, and personnel of such issuers. The limited information available to investors in public companies limits the Investment Manager's certainty of achieving a particular outcome in connection with the Master Fund's investments.

Fundamental Analysis. Certain trading decisions made by the Investment Manager may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to the Funds' trading strategies, the Funds may not be able to realize their investment goals. In addition, fundamental market information is subject to interpretation. To the extent that the Investment Manager misinterprets the meaning of certain data, the Funds may incur losses.

Investment Due Diligence and Investment Research. When conducting due diligence and investment research, the Investment Manager may be required to evaluate important and complex business, financial,

tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence and investment research process in varying degrees depending on the type of investment and the Investment Manager may rely on information provided by third parties. The due diligence investigation and investment research that the Investment Manager (or such a third party) carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, may lead to inaccurate or incomplete conclusions, or may be manipulated by fraud. Moreover, such an investigation may be costly and will not necessarily result in the investment being successful. Certain jurisdictions may have laws that make obtaining information about portfolio companies or other parties relevant to an investment difficult or impracticable. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

Environmental, Social and Governance Investing. The Master Fund may from time to time, but is not required to, negatively screen investment opportunities from their investable universe (i) because the Investment Manager has determined that the ESG concerns around a particular industry or position are too great regardless of the potential returns or (ii) at the request of one or more investors if the Investment Manager determines that the implementation of the Funds' investment strategy will not be materially adversely affected as a result of such screening.

As a result, to the extent the Investment Manager determine to consider ESG factors, such consideration may cause the Master Fund's exposure to certain companies, sectors or industries to be reduced or cause the Master Fund to forego certain profitable investment opportunities entirely and, accordingly, the Funds' performance may be lower than other investments funds that do not consider ESG factors or that interpret ESG factors differently than the Investment Manager.

Non-Traditional Financial Data. Birnam Oak may acquire and use, large and complex data sets culled from multiple market sources (also known as "non-traditional financial data" or "big data") from time to time in its research process. The Investment Manager intends to apply this data in anticipation of certain micro- and macro-economic trends and otherwise to develop or improve investment themes. Such data sets may have errors, omissions, imperfections, limitations and malfunctions that are difficult to detect. The analysis and interpretation of such data involves a high degree of uncertainty, for example, if such data proves to be incorrect, misleading or incomplete in unknown or unanticipated ways or the Investment Manager's analysis of such data contains flaws, including the presence of data-related biases. Moreover, the Investment Manager may not utilize all relevant data, including if the Investment Manager is unaware of it, if the relevant third-party provider (or such provider's own data sources) ceases to provide it, or if the Investment Manager elects not to obtain or incorporate the data into its research process, including because it is not practicable to consider all data that may be applicable to each investment decision that may be made on behalf of the Master Fund. The application of such data sets to financial investing is relatively new and may be subject to material but unanticipated risks. For instance, the laws bearing in non-traditional data, such as intellectual property, contract, consumer protection and privacy laws, are evolving. These laws may increasingly limit the collection, sharing and use of such data, provide for contractual or tort liability of data users, or require expensive or novel safeguards such as opt-out and access rights. Improper use of nontraditional financial data could also result in the Investment Manager becoming restricted from trading in an investment due to

applicable securities laws related to material nonpublic information or insider information. Furthermore, vendors supplying non-traditional financial data to Birnam Oak may themselves face liability or regulatory intervention relating to their acquisition or sale of such data, which could cause reputational damage to Birnam Oak. Changes to data over time may also be difficult to track and incorporate, if appropriate, into the research process.

Risk of Artificial Intelligence. Recent technological advances in artificial intelligence and machine learning technology (collectively, “**AI Technology**”), including, for example, the OpenAI ChatGPT application, may create opportunities for Birnam Oak, the Master Fund and issuers in which the Master Fund will invest, as well as risks. Further, AI Technology is highly reliant on the collection and analysis of large amounts of data and complex algorithms, but it is not possible or practicable to incorporate all relevant data into models that AI Technology utilize to operate. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data as well as the algorithms in use could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technology and could adversely impact Birnam Oak, the Master Fund and issuers in which the Master Fund is invested to the extent they rely on the work product of such AI Technology. The volume and reliance on data and algorithms also make AI Technology, and in turn, Birnam Oak, the Funds and such issuers more susceptible to cybersecurity threats. In addition, Birnam Oak, the Funds and such issuers could be exposed to risks to the extent third-party service providers or any counterparties, use AI Technology in their business activities. Birnam Oak will not be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilizing AI Technology are provided. In addition, AI Technology may be competitive with the business of the portfolio entities or increase the potential for obsolescence of a portfolio entity’s products or services (particularly as the capabilities of AI Technology improve, and accordingly the increased adoption and use of AI Technology may have an adverse effect on portfolio entities or their respective businesses.

Moreover, the use of AI Technology by any of the parties described in the previous paragraph could include the input of confidential Birnam Oak information (including material non-public information and personal information) by third parties in contravention of non-disclosure agreements, or by Birnam Oak personnel or other related parties in contravention of Birnam Oak’s policies and procedures (or by any such parties without contravening such policies, procedures and/or non-disclosure agreements), which could result in such confidential information becoming part of a dataset that is accessible by AI Technology applications and users. The use of AI Technology, including potential inadvertent disclosure of confidential Birnam Oak information, could also lead to legal and regulatory investigations and enforcement actions.

AI Technology and its current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which it operates, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

Use of Forecasts and Models. The investment strategies employed by the Investment Manager may be dependent on a number of models, some of which may be used under license from third parties and some of which may be developed internally. These models may employ assumptions that abstract a limited number of variables from complex financial markets or instruments that they attempt to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. For example, models may postulate or their efficacy may depend on assumptions regarding the existence of

relationships that appear to hold true or in fact held true in the past but that may not exist or hold true in the future. In addition, as market dynamics shift over time (for example, due to changed market conditions and participants), a previously highly successful model could become outdated or inaccurate, perhaps without the Investment Manager recognizing that fact before substantial losses are incurred. There can be no assurance that the Investment Manager will be successful in developing and maintaining effective models.

Uncertainty of Projected Returns. The Master Fund may make investments based on the Investment Manager's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of assets, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return received upon the Master Fund's investments. The Master Fund may make investments that may have different degrees of associated risk and the actual realized returns on these investments may differ materially from the estimates or projections utilized by the Investment Manager in making investment decisions on behalf of the Master Fund.

Expedited Transactions. Investment analyses and decisions by the Investment Manager may be undertaken on an expedited basis in order for the Master Fund to take advantage of available investment opportunities. In such cases, the information available to the Investment Manager at the time of an investment decision may be limited and the Investment Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the Investment Manager may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

Risk Concentration and Risk Management Failures. The Master Fund is not restricted in the amount of its capital that it may commit to any single investment, strategy or industry sector. At times the Master Fund may hold a relatively large concentration in a particular security, issuer, sector, geographic region, type of investment or strategy. Any such concentration of risk may increase losses suffered by the Master Fund, which could have a material adverse effect on the Master Fund's overall financial condition. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Master Fund faces concentrated exposure to certain risks. Conversely, the Investment Manager may encounter unexpected changes in the correlation of assets or markets, or basis risk due to, among other things, imperfectly matched debt maturities, which confound its attempts to hedge or limit risk and result in investment losses. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. In addition, many hedge funds pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager attempts to identify, monitor and manage significant risks, these efforts may not necessarily take all risks into account and there can be no assurance that these efforts will be effective. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses for the Master Fund.

Significant Positions in Securities; Regulatory Requirements. In the event the Master Fund acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Master Fund may be subject to regulation and regulatory oversight that may impose notification and filing

requirements or other administrative burdens on the Master Fund and the Investment Manager. Any such requirements may impose additional costs on the Master Fund and Investment Manager and may delay the acquisition or disposition of the securities or the Master Fund's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Master Fund's position limits were aggregated with an affiliate's position limits, the effect on the Master Fund and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

In addition, if the Master Fund, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a U.S. exchange traded public company or places a director on the board of directors of such a company, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Master Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Master Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Trade Execution Risk. The Master Fund's investment and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. The Master Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the Master Fund, the Investment Manager, the order management system, the outsourced trading and execution brokers used by the Investment Manager, the Master Fund's counterparties, brokers, dealers, agents, information providers, or other market participants. In such an event, the Master Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Master Fund might not be able to make such adjustment. As a result, the Master Fund would not be able to achieve the market position desired by the Investment Manager, which may result in a loss.

The Investment Manager will use the outsourced trading and execution brokers to execute some or all of the trades for the Master Fund. The Investment Manager may also execute certain of its trades directly without reliance on the outsourced trading broker. While the Investment Manager believes that utilizing outsourced trading and execution brokers will mitigate business continuity risks relating to the Master Fund's trading, use of such service providers will increase the Master Fund's brokerage commissions and related operating expenses. In addition, such service providers utilize electronic execution systems (and may rely on new

systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by the Master Fund.

Systems and Operational Risks. The Funds will depend on the General Partner and the Investment Manager and the Funds' service providers to develop and implement appropriate systems for the Funds' activities. A significant portion of the Funds', the General Partner's, and the Investment Manager's activities will be dependent upon systems operated by third parties, and the General Partner and the Investment Manager may not be in a position to adequately verify the risks or reliability of such third-party systems. Disruption to third party critical service providers, such as the Funds' auditors, external counsel, third party administrator, order management system, managed service provider, and custodian, may result in other disruptions in the Funds' operations. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the Limited Partners' investments therein.

Cybersecurity Risk. As part of its business, Birnam Oak processes, stores and transmits electronic information, including information relating to the transactions of the Funds and certain personally identifiable information of their investors and counterparties and Birnam Oak's employees. Birnam Oak also conducts a significant portions of its business over electronic networks. Similarly, third-party service providers of Birnam Oak or counterparties of the Funds process, store and transmit such information and/or conduct electronic transactions. There can be no assurance that the measures Birnam Oak or its counterparties or service providers take to safeguard their systems and electronic information will provide protection. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage electronic networks or systems change frequently and may be either overtly disruptive, such as ransomware attacks, or may be difficult to detect for long periods of time. Hardware or software acquired or licensed from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information and network security. Network-connected services provided by third parties to Birnam Oak may be susceptible to compromise and may also lead to a breach of Birnam Oak's electronic networks or systems. Birnam Oak's systems, networks or facilities may be susceptible to other breaches and outages, e.g., due to employee error or malfeasance, government surveillance, utility shutdowns or other security threats. Breach of Birnam Oak's information systems or those of its third-party service providers or counterparties may allow third parties to process unauthorized transactions on behalf of the Funds or cause information relating to the transactions of the Funds and personally identifiable and other sensitive information of its investors and counterparties and Birnam Oak's employees to be lost, disabled, degraded or improperly accessed, used or disclosed. If a counterparty or service provider fails to adopt or adhere to adequate data security policies or procedures, information relating to the transactions of the Funds or personally identifiable and other sensitive information of their investors and counterparties and Birnam Oak's employees may be similarly lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Birnam Oak's or the Funds' proprietary information or systems may cause Birnam Oak or the Funds to suffer, among other things, financial loss, business disruption, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and their investors' investments therein. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Master

Fund invest, governmental and other regulatory authorities, exchanges and other market participants. Substantial costs may be incurred by Birnam Oak and the Funds in order to maintain and improve their information infrastructure and to mitigate the risk of cybersecurity breaches in the future.

C. Diverse Investment Types

Birnam Oak does not recommend any single type of security. The Fund generally holds a diverse range of investments, yet we still encourage our clients (as well as their investors) to consider all of the risk factors we have described above and in the applicable offering document. Any investment can be risky and our clients and their indirect investors must be prepared to assume the consequent risks and any potential loss.

Item 9: Disciplinary Information

Birnam Oak and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

As noted previously herein, on January 1, 2024, Birnam Oak will be assigned investment management responsibilities of the Master Fund, which will be managed by Taconic through December 31, 2023 with Christopher DeLong serving as its Principal and Chief Investment Officer. The Master Fund will be renamed Biran Oak Master Fund, LP on or about January 1, 2024. Mr. DeLong has served as Portfolio Manager of the Master Fund since its inception in May 2021. Beginning January 1, 2024, Mr. DeLong will begin serving as Portfolio Manager of Birnam Oak in connection with it assuming investment management of the Master Fund (referred to herein as, the “**Spin-Out**”). The information and statements set forth in this Item 10 have been drafted as if the Spin-Out had already occurred. Upon the Spin-Out, Taconic will not be involved in, have any association with, or responsibility for, the management, operations or investment activities of the Fund and will not be a related person of Birnam Oak, as defined in the ADV Glossary, nor will it be a financial industry affiliate of Birnam Oak as understood in Item 7. Prior to the Spin-Out, Birnam Oak will not manage client assets.

A. Broker-Dealer Registration Status

Neither Birnam Oak nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Neither Birnam Oak nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Related Persons who are Industry Participants

Birnam Oak provides discretionary investment management services and administrative services to the Birnam Oak Funds. The GP of the Birnam Oak Funds is also an affiliate of Birnam Oak.

D. Material Conflicts of Interest Relating to Other Investment Advisers

None.

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

A. Code of Ethics

To help ensure the satisfaction of Birnam Oak's fiduciary obligations to its clients, Birnam Oak has adopted a written code of ethics (the "**Code**") pursuant to Rule 204A-1 under the Investment Advisers Act. The Code memorializes the standards of business conduct that Birnam Oak and all Birnam Oak employees are expected to uphold, including that the Investment Manager and all employees must act in accordance with the Investment Manager's fiduciary duties to clients and comply with all applicable federal securities laws. The Code includes provisions (i) requiring "supervised persons" to comply with federal securities laws, (ii) requiring "access persons" to report personal securities periodically and personal securities at the time they become access persons and on at least an annual basis thereafter, (iii) requiring "supervised persons" to report violations of the Code promptly to the Chief Compliance Officer (together with her delegates, the "**CCO**") and (iv) requiring Birnam Oak to provide a copy of the Code, as it may be amended, to all "supervised persons," with a requirement that they provide Birnam Oak with a written acknowledgement that they received the Code. For purposes of compliance with the Code, Birnam Oak has determined that "supervised persons" generally shall be deemed to include all Birnam Oak employees and "access persons" generally shall be deemed to include all Birnam Oak employees and other "supervised persons" identified from time to time by the Chief Compliance Officer.

In addition to the elements required by Rule 204A-1, Birnam Oak's Code includes, among others, restrictions that generally prohibit its access persons from purchasing or selling debt, equity, and other specified securities that are not subject to general permission (e.g., Treasury securities and specified exchange traded funds) unless such transactions are (i) non-volitional on the part of the access person (including transactions in approved third-party managed accounts) or (ii) in limited circumstances, pre-approved by the CCO. In addition, and subject to limited exceptions, the Code also generally requires CCO approval before employees may invest in private placements or private funds, serve on the boards of directors of outside companies, engage in certain other outside business activities, run for or serve in a public office, receive or offer gifts or entertainment from or to persons doing business with Birnam Oak, or make contributions, payments or gifts to political candidates or parties.

Birnam Oak also maintains policies and procedures with respect to preventing the misuse of material, non-public information.

Birnam Oak employees are required to certify their compliance with the Code and other Birnam Oak policies and procedures on a periodic basis.

Clients and prospective clients may obtain a copy of Birnam Oak's Code by contacting Birnam Oak's CCO at ecross@birnam-oak.com.

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

It is not the general practice of Birnam Oak and its affiliates as principal to purchase securities or other instruments for themselves from any Birnam Oak Fund or client or sell securities or other instruments they own to any Birnam Oak Fund or client.

C. Nevertheless, to the extent that any future transactions may be viewed as principal transactions, including due to the ownership interest in the Birnam Oak Funds by the GP, Mr. DeLong or their or his affiliates, Birnam Oak will comply with the requirements of Section 206(3) of the Advisers Act. In connection with principal transactions, cross trades, related-party transactions and other transactions and relationships involving potential conflicts of interest impacting the Master Fund, the GP is authorized to select one or more persons who are not affiliated with Birnam Oak to serve as Independent Client Representative (or Governance Committee), which is authorized, on behalf of the investors in the Master Fund, as applicable to approve or disapprove, to the extent required by applicable law or deemed advisable by the GP, such transactions and conflicts of interest. The Independent Client Representative (or Governance Committee) may approve of such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law. The Independent Client Representative (or Governance Committee) may be exculpated and indemnified by the Funds. Any decision of the Independent Client Representative (or Governance Committee) will be binding on all Limited Partners or investors in the Master Fund, as applicable.

D. Investing in Securities that Birnam Oak or a Related Person Recommends to Clients

Birnam Oak and its employees invest from time to time for their personal accounts in securities or other instruments in which one or more Birnam Oak Funds is also invested. Birnam Oak also invests from time to time in securities and other instruments for Birnam Oak Funds in which its affiliates or employees are already invested. Conflicts of interest may arise in such cases due to the conflicting financial interests of the Birnam Oak Funds and Birnam Oak employees and/or affiliates. As mentioned in Item 11A, Birnam Oak has implemented policies relating to personal account trading by its employees to reduce, monitor and resolve actual and potential conflicts of interest presented by such trading activities and to endeavor to ensure that such trading activities are carried out in accordance with applicable law and regulatory requirements. For example, Birnam Oak's employees are subject to Birnam Oak's personal trading pre-clearance policy, which is designed generally to (1) prevent Birnam Oak employees from transacting in certain securities or other instruments at or about the same time that Birnam Oak causes a Birnam Oak Fund to transact in such securities or other instruments and (2) prevent employee transactions in securities or other instruments that Birnam Oak is restricted from trading.

E. Contemporaneous Trading

Please see response to Item 11A and 11C above.

Item 12: Brokerage Practices

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

Birnam Oak has complete discretion in deciding which securities and other instruments are bought and sold on behalf of the Master Fund, the amount and price of those securities and other instruments, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Master Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Birnam Oak, the Funds or Birnam Oak's other clients, in Birnam Oak's discretion. Such factors may influence Birnam Oak's selection of broker-dealers (including prime-brokers) and financing sources. Subject to its duty of best execution, in selecting brokers and dealers to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Birnam Oak may consider, among other factors, the following:

- the broker's or dealer's quality of execution, including its ability to follow and accurately execute specific transfer instructions, access liquidity and execute the trade within the desired timing;
- the broker's or dealer's and its personnel's overall experience, reputation and trustworthiness;
- the broker's or dealer's willingness to commit capital, the commission rate and overall cost of trade;
- the quality of the broker or dealer's relationship with Birnam Oak, including its responsiveness to requests, reliability, understanding of the strategy and interests, ability to provide market intelligence regarding trading activities in securities Birnam Oak trades and the nature and quality of investment ideas it generates;
- the broker's or dealer's ability to execute trades in difficult markets;
- the broker's or dealer's access to underwritten offerings and secondary markets;
- the financial strength and stability of the broker or dealer;
- the broker's or dealer's ability to evaluate market information across asset classes and sectors;
- the ability of the broker or dealer to provide research and trading services on a global basis across asset classes;
- the broker's or dealer's ability to provide access to company management and to access deal flow; and
- the receipt of brokerage or research products and services which are of benefit to the Funds, as well as other factors Birnam Oak deems appropriate to consider under the circumstances.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Birnam Oak need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Birnam Oak maintains policies and procedures to review the quality of executions, including periodic reviews by its investment and operating professionals.

Research and Soft Dollars. The research products and services provided to Birnam Oak by its broker deals generally may include and have included: research reports regarding the economy, industries, specific securities, groups of securities and/or individual companies; financial, economic and market data; statistical information; accounting and tax law interpretations; relevant legal and political developments; technical market advice; pricing and appraisal services (used in the investment process); credit analysis; discussions with research analysts and meetings with corporate executives and consultants; fees to attend conferences or seminars that provide substantive content regarding issuers, industries and or securities; research related to the market for securities and other investments, such as trade analytics (including analytics available through order management systems), and advice on market color and execution and investment strategies; and pre-trade and post-trade analytics used during the investment decision making process. Such research services are primarily received in the form of written reports and conferences, telephone and video conference contacts and personal meetings with security analysts, consultants, economists, academics, attorneys, corporate executives, and industry spokespersons, among others. In addition, such research services can be provided in the form of access to various computer-generated data and computer software. In some cases, research services are generated by third parties but are provided to Birnam Oak by or through securities broker-dealers.

The brokerage products and services provided to Birnam Oak by broker dealers generally may include: communication services relating to the execution, clearing and settlement of transactions (including dedicated lines to the broker-dealer and message services to transmit orders), outsourced trading services, and software used to route orders to market centers, providing algorithmic trading strategies, and transmitting orders to direct market access systems.

From time to time, Birnam Oak may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Master Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Birnam Oak will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). Birnam Oak believes it is important to its investment decision-making processes to have access to independent research and outsourced trade execution services.

Also, consistent with Section 28(e), research products or services obtained with “soft dollars” generated by the Master Fund may be used by Birnam Oak to service one or more other clients of Birnam Oak, including client accounts that may not have paid for the soft dollar benefits. Birnam Oak will not seek to allocate soft dollar benefits to client accounts in proportion to the soft dollar credits the clients generate. Where a product or service obtained with soft dollars provides both Section 28(e) eligible and non-eligible assistance to Birnam Oak (i.e., a “mixed use” item), Birnam Oak will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Birnam Oak’s allocation of the costs of such benefits and services between those that primarily benefit the Investment Manager and those that primarily benefit its client accounts, including the Funds.

When Birnam Oak uses brokerage commissions (or markups or markdowns) generated by the Funds or other client accounts to obtain research or other products or services, Birnam Oak receives a benefit because

it does not have to produce or pay for such products or services. Birnam Oak may have an incentive to select or recommend a broker-dealer based on the Investment Manager's interest in receiving research or other products or services, rather than on the applicable Fund or client's interest in receiving most favorable execution.

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of the selection considerations described above.

Best Execution Reviews. Birnam Oak maintains various procedures to monitor and oversee the receipt of soft dollar benefits in connection with the Master Fund's trading. These procedures include regular "broker votes" and meetings of the firm's Best Execution and Brokerage Allocation Committee, where members of the committee review such matters as results of the broker votes, total commissions paid, commissions paid to individual broker dealers, average commission rates and changes from prior quarters. In addition, Birnam Oak investment professionals periodically review the value of the soft dollar benefits received in light of commissions paid to assess for reasonability.

On at least an annual basis Birnam Oak's Chief Compliance Officer also evaluates the pricing and services offered by the Master Fund's prime brokers and other custodians (if any) (collectively, the "**Custodians**") and trading counterparties with those offered by other reputable firms. Birnam Oak will make a good-faith determination that the Custodians and chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could be influenced by Birnam Oak's receipt of products and services from the Custodians as described herein. Birnam Oak will notify its clients if it were to determine that another firm offered better pricing and services than the Custodians.

Capital Introduction and Consulting Services. From time to time, Birnam Oak personnel speak at or otherwise participate in conferences and other "capital introduction" programs for potential investors. These conferences and programs are organized or sponsored by prime brokers or executing brokers (or their affiliates) and are a means by which Birnam Oak can be introduced to potential Birnam Oak Fund investors, with whom such brokers have a pre-existing relationship. As a result, Birnam Oak has an incentive to select or recommend a broker-dealer based on Birnam Oak's interest in receiving referrals through such capital introduction programs, rather than on the Birnam Oak Funds' interest in receiving most favorable execution. Birnam Oak also receives consulting assistance services from prime brokers, including consulting assistance with facilities, technology, real estate, service providers, operations, finance, compliance, and human resources. Currently, neither Birnam Oak nor the Birnam Oak Funds compensate anyone for providing such services or organizing such capital introduction events or for any investments ultimately made by prospective investors attending such events (and have not done so during the last fiscal year), although either may do so in the future. While such events and other services provided by a broker or dealer may influence Birnam Oak in deciding whether to use such broker or dealer in connection with brokerage, financing and other activities of the Birnam Oak Funds, Birnam Oak does not commit to allocate a particular amount of brokerage to a broker or dealer in any such situation. The Birnam Oak Funds pay fees to their prime brokers in accordance with fee schedules negotiated with them at customary rates.

Additional Brokerage Costs and Turnover. The Master Fund's investment program emphasizes active management of the Master Fund's portfolio. Consequently, the Master Fund's portfolio turnover and brokerage commission expenses may exceed those of other investment entities of comparable size. Additional costs could be incurred in connection with the Master Fund's non-U.S. investment activities. Non-U.S. brokerage commissions generally are higher than brokerage commissions in the United States. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions.

Outsourced Trading and Execution Brokers. Birnam Oak has engaged an outsourced trading and execution broker (the "**Outsourced Trading Broker**") to execute some or all of the trades on behalf of the Master Fund. The Outsourced Trading Broker executes trades either directly or through third party broker dealers in accordance with a brokerage commission allocation budget provided by Birnam Oak. Although the Master Fund will generally pay higher aggregate commission rates when trading on an outsourced basis than it would pay when trading directly with other execution brokers that don't provide comparable outsourced trading services, Birnam Oak believes that such practices are consistent with its duty to achieve best execution as such higher aggregate commission rates ensure that the Outsourced Trading Broker is available to stand ready as needed to provide the trade execution business continuity support that the Master Fund requires. Because Birnam Oak would otherwise bear the costs of employee execution traders, Birnam Oak faces a conflict of interest in determining when, to what extent and at what commission rates to transact with the Outsourced Trading Broker. Birnam Oak's Best Execution and Brokerage Allocation Committee is mindful of this conflict and in this regard makes its determinations in good faith and in consideration of the following factors: (i) the value the Master Fund derives from having the ability to execute trades through multiple execution traders at once, (ii) the broad international market and product scope and expertise that the Outsourced Trading Broker offers on an around the clock basis, (iii) the Outsourced Trading Broker's block trading capabilities, access to liquidity including block trading flow and ability to execute trades anonymously on Birnam Oak's behalf, and (iv) the Outsourced Trading Broker's proprietary research and hosted research events among the other factors outlined in Birnam Oak's best execution policies and procedures. All commissions and fees paid to the Outsourced Trading Broker for its outsourced trading services are paid by the Master Fund.

Trade and Other Errors. Trade errors and similar human errors involving transactions in accounts directly or indirectly held by the Master Fund or any derivatives contracts or other similar agreements may occur. Such errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities or other instruments the Master Fund intended to trade; (ii) the sale of a security or other instrument when it should have been purchased; (iii) the purchase of a security or other instrument when it should have been sold; (iv) the purchase or sale of the wrong security or other instrument; (v) the purchase or sale of a security or other instrument contrary to regulatory restrictions or investment guidelines or restrictions of the Master Fund; (vi) incorrect allocations of trades between the Master Fund and any Other Account that does not trade *pari passu* with the account; (vii) keystroke errors that occur when entering trades into an electronic trading system; and (viii) typographical or drafting errors. Such errors may result in losses or gains. Birnam Oak generally will seek to detect such errors prior to settlement and promptly

correct and/or mitigate them. To the extent an error is caused by a counterparty, such as a broker-dealer, Birnam Oak will seek to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Master Fund to Birnam Oak and its affiliates and personnel, the Investment Manager and its affiliates and personnel will generally not be liable to the Master Fund for any act or omission, absent a final determination (by a court of competent jurisdiction upon entry of a final judgment rendered and unappealable or not timely appealed) of gross negligence, willful misconduct or actual fraud of such person, and the Master Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Master Fund absent a final determination of gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Master Fund (and not the Investment Manager) will benefit from any gains resulting from trade errors and similar human errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent a final determination of gross negligence, willful misconduct or actual fraud of the relevant person. Given the potentially large volume of transactions executed by Birnam Oak on behalf of the Master Fund, investors should assume that trade errors and similar human errors will occur and that, to the extent permitted by applicable law and under the Funds' respective governing documents, the Master Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Investment Manager's personnel.

In determining whether Birnam Oak has satisfied its standard of care such that the applicable Birnam Oak Fund is responsible for a loss resulting from a trading error, Birnam Oak will have a conflict of interest between its economic interest and the interests of the Birnam Oak Fund. The determination of whether Birnam Oak and its personnel and agents have satisfied their standard of care will not be based solely on the conduct of the specific individuals involved in the specific error at issue, but rather on the overall context of the control and compliance environment Birnam Oak has in place internally and with its third-party vendors as it relates to trading activity.

Directed Brokerage

Not applicable.

B. Order Aggregation

Because Birnam Oak has only one trading client, the Master Fund, Birnam Oak does not aggregate orders. If Birnam Oak has additional clients in the future, we may decide to aggregate client trades in an effort to treat all clients fairly. Appropriate policies and procedures will be adopted if Birnam Oak aggregates client trades.

Item 13: Review of Accounts

Accounts under Birnam Oak's management are monitored on an ongoing basis by Mr. DeLong (Chief Executive Officer and Portfolio Manager) and Ms. Ross (Chief Operating Officer and Chief Compliance Officer). Mr. DeLong reviews the Master Fund's holdings and leverage levels each trading day. The holdings and leverage levels are monitored in light of the Master Fund's investment guidelines and restrictions, as well as trading activity, significant corporate events, significant economic and general business conditions, and other activities that may dictate a change in the Master Fund's positions.

Investors in the Funds will receive month-end performance estimates, monthly exposure and risk reports, as well as a statement of their account on a monthly basis, which includes both monthly and year-to-date performance information. Birnam Oak also provides all investors in the Funds with the applicable Fund's audited financial statements and K-1's, if applicable, on an annual basis.

Birnam Oak's third-party administrator and outsourced middle and back-office personnel also conduct certain periodic reviews with respect to trade execution, brokerage allocation, performance reporting, cash, position reconciliations, valuation, and other matters, as applicable.

A review of reports and analysis other than on a periodic basis may be triggered by unusual activity or special situations on a case-by-case basis.

Additional reporting, including written exposure and performance attribution reporting, is also provided on a periodic basis to Master Fund investors.

Other more frequent or detailed portfolio holdings information, risk reporting or analysis is in certain cases also made available to Birnam Oak Fund investors upon request, on a case-by-case basis, subject to additional terms agreed with Birnam Oak, as deemed appropriate.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Not applicable.

B. Compensation to Non-Supervised Persons for Client Referrals

Not applicable.

Except as described above in Item 12 regarding participation in “capital introduction” events, Birnam Oak does not, nor do any of our principals or employees, compensate anyone for client or investor referrals. Birnam Oak does not currently use third party marketers to assist in fundraising efforts.

Item 15: Custody

Birnam Oak is deemed to have custody of the Birnam Oak Funds' assets because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from the Funds' accounts or otherwise withdrawing funds from a Birnam Oak Fund's account. Birnam Oak is also deemed to have custody of the Birnam Oak Funds' assets because an affiliate of Birnam Oak serves as the GP of such entities. Consequently, Birnam Oak is subject to Rule 206(4)-2 under the Advisers Act. Birnam Oak maintains the Master Fund's assets at prime brokers, or custodial banks, all of whom are "qualified custodians," as that term is defined under the custody rule under the Investment Advisers Act of 1940. We also ensure that the qualified custodians maintain these funds and securities in accounts that contain only our clients' funds and securities under our clients' names.

The Birnam Oak Funds are subject to an annual audit and Birnam Oak will distribute audited financial statements to investors in each Birnam Oak Fund within the period required by the applicable Fund's governing documents. The Birnam Oak Funds are audited annually by an accounting firm that is a member of the Public Company Accounting Oversight Board, and the audits are conducted in accordance with accounting principles that are generally accepted accounting principles.

Item 16: Investment Discretion

Scope of Authority. Birnam Oak will have discretionary authority to manage our clients' accounts. This means that, among other things, we have the authority to determine, without obtaining specific consent from our clients or their indirect investors, which securities and other financial instruments to buy and sell and the amount of securities and other financial instruments to buy and sell. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in each Fund's respective offering memorandum. In addition, various securities and tax laws and our internal policies may impose limitations on the investments we can make on behalf of our clients.

Procedures for Assuming Authority. Before accepting subscriptions for interests, we provide potential investors in the Funds with an offering memorandum that sets forth our investment strategy and program. By completing our subscription documents to acquire an interest in a Birnam Oak Fund, each investor gives us complete authority to manage investments in accordance with the offering memorandum received.

Item 17: Voting Client Securities

SEC Rule 206(4)-6 requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies.

Investors in the Birnam Oak Funds do not have the ability or authority to direct the voting of the securities held by the Birnam Oak Funds. Birnam Oak has adopted proxy voting policies and procedures aimed at achieving Birnam Oak's overall goal of voting proxies in the best interests of the Birnam Oak Funds, as determined by Birnam Oak in its discretion. Birnam Oak's proxy voting policies address how Birnam Oak resolves conflicts of interest that may arise when voting proxies.

Birnam Oak's general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**"), in a prudent and diligent manner that will serve the applicable client's best interest and is in line with each client's investment objectives. To assist it in carrying out its duty to vote Proxies in the Master Fund's best interests and to facilitate the proxy voting process, Birnam Oak has retained a proxy advisory service to provide research, recommendations, reporting, vote execution and record keeping services. Birnam Oak also relies on the third-party proxy advisory service to ensure soliciting materials that are received close to the submission deadline are incorporated into voting recommendations.

Investors are advised that there are times when Birnam Oak does not vote or abstains from voting if Birnam Oak determines that not voting or abstaining is permitted in accordance with applicable law, and otherwise in the best interest of the Master Fund, including, for example, when the Master Fund no longer holds net positive exposure to the relevant position. The Investment Manager may take into account all relevant factors, as determined by the Investment Manager in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, Birnam Oak may refrain from voting Proxies where it believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients.

Conflicts of interest rarely arise in connection with Birnam Oak's proxy voting. However, if the Chief Compliance Officer identifies material conflicts of interest between Birnam Oak and/or its employees, on one hand, and Birnam Oak's clients or Fund investors, on the other hand, in connection with such proxy vote, Birnam Oak will vote the proxy in accordance with the recommendations of the proxy advisory service, in the manner provided by Birnam Oak's proxy voting policies and procedures. All votes are overseen by Birnam Oak's Chief Compliance Officer.

Clients may obtain a copy of Birnam Oak's proxy voting policies and procedures and information about how the firm voted their securities by contacting the CCO at eross@birnam-oak.com

From time to time, Birnam Oak receives notices regarding class action lawsuits. The Master Fund refrains from serving as the lead plaintiff in class action matters, but it has engaged third party claims agents to file certain claims on its behalf. If the Master Fund receives proceeds from any class action, the proceeds will be credited to the Master Fund at the time such proceeds are received.

Item 18: Financial Information

Birnam Oak does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Birnam Oak does not believe any financial condition exists that is reasonably likely to impair our ability to meet contractual commitments to our clients.

The Firm has never been the subject of a bankruptcy petition.