**Memorandum Copy No. 1431**

# CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

## LIMITED PARTNERSHIP INTERESTS

## OF

## SALI SELECT SERIES, L.P.

**(a Delaware series limited partnership)**

**July 6, 2022**
**Effective July 21, 2022**

# SALI Select Series, L.P.

## CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM, INCLUDING ANY SUPPLEMENT HERETO (TOGETHER, THE **"MEMORANDUM"**), IS BEING FURNISHED ON A CONFIDENTIAL BASIS SOLELY TO SELECTED QUALIFIED INVESTORS CONSIDERING THE PURCHASE OF LIMITED PARTNERSHIP INTERESTS (THE **"INTERESTS"**) IN SALI SELECT SERIES, L.P. (THE **"PARTNERSHIP"**). THIS MEMORANDUM IS NOT TO BE REPRODUCED OR DISTRIBUTED TO OTHERS, AT ANY TIME, WITHOUT THE PRIOR WRITTEN CONSENT OF SALI SELECT PARTNERS, LLC (THE **"GENERAL PARTNER"**), AND ALL RECIPIENTS AGREE THEY WILL KEEP CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN ON THE TERMS BELOW AND WILL USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN THE PARTNERSHIP. NOTWITHSTANDING THE FOREGOING, THE GENERAL PARTNER EXPRESSLY AUTHORIZES EACH ELIGIBLE INVESTOR (DEFINED BELOW) TO PROVIDE THIS MEMORANDUM TO ANY POLICY OWNER (DEFINED BELOW), SUBJECT TO SUCH POLICY OWNER'S AGREEMENT TO BE BOUND BY THE FOREGOING TERMS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PARTNERSHIP AND THE TERMS OF THE OFFERING CONTEMPLATED BY THIS MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE, OR ANY NON-U.S., SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), OR ANY STATE OR OTHER SECURITIES LAWS, AND WILL BE OFFERED AND SOLD FOR INVESTMENT ONLY TO QUALIFYING RECIPIENTS OF THIS MEMORANDUM PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY REGULATION D PROMULGATED THEREUNDER, IN COMPLIANCE WITH ANY APPLICABLE STATE OR OTHER SECURITIES LAWS. THE PARTNERSHIP WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR OTHER SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE TRANSFERABILITY OF THE INTERESTS WILL BE FURTHER RESTRICTED BY THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT OF THE PARTNERSHIP (THE **"PARTNERSHIP AGREEMENT"**). INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE INTERESTS FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE INTERESTS, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION (THE **"CFTC"**), NEITHER THE GENERAL PARTNER NOR SALI FUND MANAGEMENT, LLC (THE **"INVESTMENT MANAGER"**) IS REQUIRED TO REGISTER WITH THE CFTC AS A COMMODITY POOL OPERATOR (**"CPO"**) OR AS A COMMODITY TRADING ADVISOR WITH RESPECT TO THE PARTNERSHIP. THEREFORE, EVEN THOUGH THE INVESTMENT MANAGER IS REGISTERED AS A CPO, IT INTENDS TO OPERATE THIS POOL AS IF IT WERE EXEMPT FROM REGISTRATION AS A CPO AND WILL THEREFORE NOT BE REQUIRED TO DELIVER A DISCLOSURE DOCUMENT OR A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN THIS POOL. AMONG OTHER THINGS, THE EXEMPTION REQUIRES THE FILING OF A CLAIM OF EXEMPTION WITH THE NATIONAL FUTURES ASSOCIATION. IT IS ALSO REQUIRED THAT AT ALL TIMES EITHER: (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH COMMODITY INTEREST POSITIONS

DOES NOT EXCEED 5% OF THE LIQUIDATION VALUE OF THE PARTNERSHIP'S PORTFOLIO; OR (B) THE AGGREGATE NET NOTIONAL VALUE OF THE PARTNERSHIP'S COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF THE PARTNERSHIP'S PORTFOLIO AND FURTHER THAT ALL POOL PARTICIPANTS ARE REQUIRED TO BE ACCREDITED INVESTORS OR CERTAIN OTHER QUALIFIED INVESTORS. IN ADDITION, THE CFTC REGULATIONS REQUIRE THE INVESTMENT MANAGER TO ANNUALLY REAFFIRM ITS RELIANCE ON THE EXEMPTION PURSUANT TO CFTC REGULATION 4.13(A)(3).

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY STATE OR OTHER JURISDICTION WHERE, OR TO OR FROM ANY PERSON TO OR FROM WHOM, SUCH OFFER OR SOLICITATION IS UNLAWFUL OR NOT AUTHORIZED.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION CONCERNING THE PARTNERSHIP OR THE OFFERING OF THE INTERESTS OTHER THAN THE INFORMATION CONTAINED IN THE MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE PARTNERSHIP OR THE GENERAL PARTNER.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF THE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE PARTNERSHIP AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSIS) THAT ARE PROVIDED TO THE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

THE INTERESTS ARE OFFERED SUBJECT TO THE RIGHT OF THE GENERAL PARTNER TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART.

INTERESTS MAY BE SOLD AND OFFERED ONLY TO (I) SEGREGATED ACCOUNTS OF "INSURANCE COMPANIES" WITHIN THE MEANING OF SECTION 816(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **"CODE"**) PROVIDED THAT (A) ANY SUCH INSURANCE COMPANY MAINTAINS "VARIABLE CONTRACTS," AS DEFINED UNDER SECTION 817(D) OF THE CODE AND THE U.S. TREASURY REGULATIONS PROMULGATED THEREUNDER (THE **"TREASURY REGULATIONS"**), IN WHICH ALL OR PART OF THE AMOUNTS RECEIVED UNDER THE CONTRACT MUST BE SEGREGATED FROM THE GENERAL ASSET ACCOUNTS OF THE INSURANCE COMPANY PURSUANT TO U.S. FEDERAL OR STATE LAW OR THE LAW OF ANY OTHER JURISDICTION, AND (B) THE INSURANCE COMPANY INVESTS ONLY ASSETS HELD IN THE SEGREGATED ASSET ACCOUNT OR ACCOUNTS IN THE PARTNERSHIP (SUCH SEGREGATED ACCOUNTS, **"INSURANCE COMPANY INVESTORS"**) AND (II) INSURANCE-DEDICATED FUNDS WHOSE SOLE INVESTORS ARE INSURANCE COMPANY INVESTORS (**"ELIGIBLE INSURANCE-DEDICATED FUND INVESTORS,"** AND TOGETHER WITH INSURANCE COMPANY INVESTORS, **"ELIGIBLE INVESTORS"**).

INSURANCE COMPANY INVESTORS ARE EXPECTED TO OFFER VARIABLE LIFE INSURANCE AND ANNUITY CONTRACTS (**"VARIABLE CONTRACTS"**) TO VARIOUS PURCHASERS (**"POLICY OWNERS"**), AND SUCH VARIABLE CONTRACTS ARE EXPECTED TO FEATURE AN INVESTMENT SUB-ACCOUNT THAT CORRESPONDS TO AN INVESTMENT IN INTERESTS IN THE PARTNERSHIP. AN INVESTMENT IN A VARIABLE CONTRACT IS NOT THE EQUIVALENT OF A DIRECT INVESTMENT IN THE PARTNERSHIP. THE RIGHTS, BENEFITS AND OBLIGATIONS PROVIDED UNDER THE VARIABLE CONTRACTS WILL DIFFER MATERIALLY FROM THE RIGHTS, BENEFITS AND OBLIGATIONS THAT WILL BE PROVIDED UNDER THE LIMITED PARTNERSHIP AGREEMENT (DEFINED BELOW) OF THE PARTNERSHIP. FOR EXAMPLE, A POLICY OWNER WILL NOT BE A PARTNER IN THE PARTNERSHIP, AND WILL NOT BE ENTITLED TO ANY OF THE RIGHTS OF A PARTNER IN THE PARTNERSHIP. NEITHER THE PARTNERSHIP NOR THE GENERAL PARTNER ARE, OR PURPORT TO BE, OFFERING AN INSURANCE PRODUCT THROUGH THE OFFERING OF INTERESTS, AND ANY STATEMENT TO THE CONTRARY IS MATERIALLY MISLEADING. ONLY ELIGIBLE INVESTORS MAY ACQUIRE AND HOLD INTERESTS, AND ONLY

SUCH ELIGIBLE INVESTORS WILL BE PARTNERS IN THE PARTNERSHIP. THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OF INTERESTS TO ANY PERSON OTHER THAN AN ELIGIBLE INVESTOR.

THE PARTNERSHIP, GENERAL PARTNER AND THE INVESTMENT MANAGER WILL COMMUNICATE WITH INSURANCE COMPANIES AND ELIGIBLE INVESTORS IN RESPECT OF AN INVESTMENT IN THE PARTNERSHIP OR THE INVESTMENTS OF THE PARTNERSHIP. POLICY OWNERS WILL HAVE NO RIGHT TO COMMUNICATE WITH OR DIRECT THE INVESTMENT POLICIES OR DECISIONS OF THE GENERAL PARTNER OR THE INVESTMENT MANAGER RELATING IN ANY WAY TO THE PARTNERSHIP, AND MUST AVOID ANY CONTACT OR COMMUNICATION WITH THE GENERAL PARTNER OR THE INVESTMENT MANAGER, OR EVEN AN ELIGIBLE INVESTOR, THAT COULD BE CONSTRUED AS A DIRECT OR INDIRECT ATTEMPT BY SUCH POLICY OWNER TO SELECT OR RECOMMEND PARTICULAR INVESTMENTS TO BE MADE BY OR ON BEHALF OF THE PARTNERSHIP, OR OTHERWISE TO INFLUENCE THE GENERAL PARTNER OR THE INVESTMENT MANAGER. NONE OF THE GENERAL PARTNER, THE PARTNERSHIP, OR THE INVESTMENT MANAGER WILL BE HELD RESPONSIBLE TO ANY LIMITED PARTNER OR POLICY OWNER FOR ANY LOSS, DAMAGE, LIABILITY OR EXPENSE RESULTING FROM A VIOLATION OF THE "INVESTOR CONTROL" THEORY TO THE EXTENT SUCH VIOLATION IS ATTRIBUTABLE TO CONDUCT OF SUCH POLICY OWNER. THE PARTNERSHIP, THE GENERAL PARTNER AND THE INVESTMENT MANAGER ACCEPT NO LIABILITY IN THE EVENT THAT A COPY OF THIS MEMORANDUM IS DELIVERED TO ANY PERSON OTHER THAN A PERSON TO WHOM DELIVERY IS EXPRESSLY AUTHORIZED, IN WRITING, BY THE PARTNERSHIP, THE GENERAL PARTNER AND THE INVESTMENT MANAGER, ACTING IN THEIR DISCRETION. FOR THE AVOIDANCE OF DOUBT, THE GENERAL PARTNER EXPRESSLY AUTHORIZES EACH ELIGIBLE INVESTOR TO PROVIDE THIS MEMORANDUM TO ANY POLICY OWNER, SUBJECT TO SUCH POLICY OWNER'S AGREEMENT TO BE BOUND BY THE FOREGOING TERMS. A POLICY OWNER MUST COMMUNICATE ONLY WITH AN ELIGIBLE INVESTOR, AND NOT THE PARTNERSHIP, THE GENERAL PARTNER OR THE INVESTMENT MANAGER, REGARDING ITS VARIABLE CONTRACT AND THE INVESTMENTS THAT UNDERLIE OR SUPPORT SUCH VARIABLE CONTRACT.

NONE OF THE PARTNERSHIP, THE GENERAL PARTNER OR THE INVESTMENT MANAGER ARE, OR PURPORT TO BE, OFFERING AN INSURANCE PRODUCT THROUGH THE OFFERING OF THE INTERESTS, AND ANY STATEMENT TO THE CONTRARY IS MATERIALLY MISLEADING.

THE PARTNERSHIP MAY, UPON REQUEST OF AN ELIGIBLE INVESTOR, PROVIDE CERTAIN REPRESENTATIONS AND UNDERTAKINGS TO SUCH COMPANY RELATING TO U.S. FEDERAL TAX REQUIREMENTS APPLICABLE TO VARIABLE LIFE INSURANCE CONTRACTS, VARIABLE ANNUITY CONTRACTS AND THE FUNDS UNDERLYING SUCH CONTRACTS. PROVISION OF SUCH REPRESENTATIONS AND UNDERTAKINGS SHOULD NOT BE CONSTRUED BY ANY PERSON (INCLUDING ANY POTENTIAL ELIGIBLE INVESTOR OR ANY POLICY OWNER) AS SUGGESTING THAT THE PARTNERSHIP WILL BE MANAGED AND ADMINISTERED IN A MANNER THAT WILL ENSURE ANY PARTICULAR U.S. FEDERAL INCOME TAX TREATMENT OF SUCH ELIGIBLE INVESTOR, ANY OF ITS POLICIES OR ANY OF ITS POLICY OWNERS. NOTWITHSTANDING THE FORGOING, THE GENERAL PARTNER INTENDS TO USE ITS BEST EFFORTS TO COMPLY WITH THE DIVERSIFICATION REQUIREMENTS IMPOSED BY SECTION 817(h) OF THE CODE, AND THE TREASURY REGULATIONS THEREUNDER, ALTHOUGH NO ASSURANCE CAN BE GIVEN IN THIS REGARD.

THE GENERAL PARTNER AND THE INVESTMENT MANAGER WILL RELY ON A NUMBER OF CONTINUING REPRESENTATIONS OF EACH ELIGIBLE INVESTOR HOLDING AN INTEREST (WHICH WILL BE PROVIDED AS A CONDITION TO A SUBSCRIPTION TO THE PARTNERSHIP AND TO THE GENERAL PARTNER AND THE INVESTMENT MANAGER'S MANAGING OF THE INVESTMENTS OF THE PARTNERSHIP), INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING: (I) THE ELIGIBLE INVESTOR IS A LIFE INSURANCE COMPANY SUBJECT TO TAXATION UNDER SUBCHAPTER L OF THE CODE AND IS OTHERWISE AN INSURANCE COMPANY INVESTOR OR AN INSURANCE DEDICATED FUND WHOSE SOLE INVESTORS ARE INSURANCE COMPANY INVESTORS (EXCEPT AS PERMITTED BY TREASURY REGULATIONS SECTION 1.817.5(F)(3)); (II) ANY INSURANCE COMPANY INVESTOR MAINTAINS "VARIABLE CONTRACTS," AS DEFINED UNDER SECTION 817(D) OF THE CODE, IN WHICH ALL OR PART OF THE AMOUNTS RECEIVED UNDER THE CONTRACT MUST BE SEGREGATED FROM THE GENERAL ASSET

ACCOUNTS OF THE INSURANCE COMPANY INVESTOR PURSUANT TO U.S. FEDERAL OR STATE LAW OR THE LAW OF ANY OTHER JURISDICTION; (III) THE LIFE INSURANCE COMPANY INVESTS ONLY ASSETS HELD IN THE SEGREGATED ASSET ACCOUNT OR ACCOUNTS IN THE PARTNERSHIP OR, AS APPLICABLE; (IV) PUBLIC ACCESS TO THE SEGREGATED ASSET ACCOUNT OR ACCOUNTS OF THE LIFE INSURANCE COMPANY OR TO THE INSURANCE-DEDICATED FUND OF FUNDS IS AVAILABLE SOLELY THROUGH THE PURCHASE OF A VARIABLE CONTRACT FROM THE INSURANCE COMPANY INVESTOR; AND (V) IN THE CASE OF AN ELIGIBLE INSURANCE-DEDICATED FUND INVESTOR, SUCH ELIGIBLE INSURANCE-DEDICATED FUND INVESTOR DOES NOT AND WILL NOT COMMUNICATE WITH ANY POLICY OWNER.

POTENTIAL ELIGIBLE INVESTORS AND OTHERS CANNOT CONSTRUE THE CONTENTS OF THE MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE GENERAL PARTNER OR THE INVESTMENT MANAGER AS LEGAL OR TAX ADVICE. POTENTIAL INSURANCE COMPANY INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANTS AND BUSINESS ADVISORS AS TO LEGAL, TAX AND OTHER RELATED MATTERS (INCLUDING MATTERS RELATED TO THEIR POLICY OWNERS) CONCERNING THE PURCHASE OF AN INTEREST.

THE TAX CONSEQUENCES TO AN ELIGIBLE INVESTOR OF AN INVESTMENT IN THE PARTNERSHIP ARE UNCERTAIN, AND THE GENERAL PARTNER OR THE INVESTMENT MANAGER MAKE ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES RELATED TO ANY TAX MATTERS. ELIGIBLE INVESTORS MUST CONSULT WITH THEIR OWN COUNSEL REGARDING THE TAX CONSEQUENCES TO THEM ARISING FROM AN INVESTMENT BY THE ELIGIBLE INVESTOR IN THE PARTNERSHIP.

AN INVESTMENT IN THE INTERESTS INVOLVES SIGNIFICANT RISKS. POTENTIAL ELIGIBLE INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION IN SECTION V, "CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST." INVESTMENT IN THE PARTNERSHIP IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS INHERENT IN AN INVESTMENT IN THE PARTNERSHIP. NO ASSURANCE CAN BE GIVEN THAT THE PARTNERSHIP'S INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL.

EACH POTENTIAL ELIGIBLE INVESTOR IS INVITED TO MEET WITH REPRESENTATIVES OF THE PARTNERSHIP AND TO DISCUSS WITH, ASK QUESTIONS OF AND RECEIVE WRITTEN ANSWERS FROM SUCH REPRESENTATIVES CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THAT SUCH REPRESENTATIVES POSSESS SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE INFORMATION CONTAINED HEREIN.

THIS MEMORANDUM DOES NOT PURPORT TO BE, AND SHOULD NOT BE CONSTRUED AS, A COMPLETE DESCRIPTION OF THE PARTNERSHIP AGREEMENT, A COPY OF WHICH WILL BE PROVIDED TO EACH POTENTIAL ELIGIBLE INVESTOR UPON REQUEST, OR THE INVESTMENT MANAGEMENT AGREEMENT BY AND AMONG THE INVESTMENT MANAGER, THE GENERAL PARTNER AND THE PARTNERSHIP ON BEHALF OF EACH SERIES. EACH POTENTIAL ELIGIBLE INVESTOR IS ENCOURAGED TO REVIEW THE PARTNERSHIP AGREEMENT CAREFULLY, IN ADDITION TO CONSULTING APPROPRIATE LEGAL AND TAX COUNSELORS. TO THE EXTENT OF ANY INCONSISTENCY BETWEEN THIS MEMORANDUM AND THE PARTNERSHIP AGREEMENT, THE TERMS OF THE PARTNERSHIP AGREEMENT CONTROL.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM CONSTITUTES "FORWARD-LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "PROJECT," "ESTIMATE," "INTEND," OR "BELIEVE" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. DUE TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE DESCRIBED IN "CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST," ACTUAL EVENTS OR RESULTS OR THE ACTUAL

PERFORMANCE OF THE PARTNERSHIP MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS.

THIS MEMORANDUM IS ACCURATE AS OF JULY 6, 2022, AND NO REPRESENTATION OR WARRANTY IS MADE AS TO ITS CONTINUED ACCURACY AFTER SUCH DATE.

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## I. THE PARTNERSHIP

**The Partnership.**

SALI Select Series, L.P. (the **"Partnership"**), seeks to achieve investment returns from investments in Underlying IDFs (as defined below) utilizing various investment strategies, as further described in each Series Supplement (defined below). The Partnership is offering, through this Confidential Private Offering Memorandum, including any Series Supplement hereto (together, the **"Memorandum"**), limited partnership interests (the **"Interests"**) in the Partnership to (i) prospective insurance company investors (each, an **"Insurance Company Investor"**, and collectively, the **"Insurance Company Investors"**) on behalf of certain of their segregated accounts (the **"Separate Accounts"**) which support variable life insurance and variable annuity contracts as defined under Section 817 of the Internal Revenue Code of 1986, as amended (the **"Code"**) to be offered and issued by the Insurance Company Investors in private placements (collectively, the **"Policies"** and separately, a **"Policy"**) and (ii) to any partnership, limited liability company or trust whose beneficial owners consist solely of other Insurance Company Investors (**"Eligible Insurance-Dedicated Fund Investors,"** and together with Insurance Company Investors, **"Eligible Investors"**). Eligible Investors must also be "U.S. persons".[1] The offering conducted hereby is referred to herein as the **"Offering."**

The Interests are designed to be an investment option under the Policies. Eligible Investors that subscribe for Interests pursuant to this Offering, and whose subscriptions are accepted by the General Partner, will be limited partners in the Partnership (the **"Limited Partners"**). The General Partner (as defined below) and the Limited Partners are collectively referred to herein as the **"Partners."** Each owner of a Policy is hereinafter referred to as a **"Policy Owner"** and collectively, the **"Policy Owners."** An investment in a Policy is not the equivalent of a direct investment in the Partnership. The rights, benefits and obligations provided under the Policies differ materially from the rights, benefits and obligations provided under the Partnership's Limited Partnership Agreement, as it may be amended, supplemented and restated from time to time (the **"Partnership Agreement"**). For example, a Policy Owner will not be a Partner in the Partnership, and will not be entitled to any of the rights of a Partner in the Partnership.

The Partnership's day-to-day operations are managed by its general partner, SALI Select Partners, LLC (the **"General Partner"**). SALI Fund Management, LLC (the **"Investment Manager"**), provides investment management and administrative services to the Partnership pursuant to an investment management agreement (the **"Investment Management Agreement"**).

With respect to any Series (defined below) of the Partnership, the Investment Manager intends to invest substantially all of the assets of such Series in various insurance-dedicated investment vehicles offered by J.P. Morgan Securities, LLC (**"J.P. Morgan**"), as placement agent. Such vehicles may include, but are not limited to, segregated series of SALI Multi-Series Fund, L.P. (the **"SALI MS Fund"**) and other multi-series partnerships managed by the Investment Manager (together with the SALI MS Fund, the **"Underlying SALI IDFs"**), and may be structured, without limitation, as hedge funds or other private investment funds, mutual funds and exchange traded funds (each such vehicle or series, the **"Underlying IDF"**) and will be managed by a

[1] This includes, for the relevant U.S. federal income tax purposes, (i) a partnership or corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof, (ii) a corporation treated as a domestic corporation pursuant to an election under Section 953(d) of the Code, or (iii) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust or (B) the trust was in existence on August 20, 1996 and properly elected to be treated as a U.S. person. (Individual citizens or residents of the United States, and estates the income of which are subject to U.S. federal income taxation regardless of source, are also U.S. persons for U.S. federal income tax purposes, but are otherwise ineligible to be Eligible Investors.)

third party or the Investment Manager or its affiliates. In addition to acting as investment manager to the Partnership, the Investment Manager acts as the investment manager of the Underlying SALI IDFs and has selected subadvisors to manage the assets of each such Underlying SALI IDF (each such subadvisor or investment manager of an Underlying IDF or Underlying SALI IDF, an **"Underlying IDF Manager"**). For acting as placement agent for an Underlying IDF, J.P. Morgan will receive a placement fee, which is borne directly or indirectly by the Underlying IDF Manager. The Underlying IDF and Underlying IDF Manager with respect to a Series are described in the Series Supplement of such Series.

The Partnership has been formed to serve as an investment vehicle to be offered by insurance companies to prospective Policy Owners that are JPM Clients (as defined below). In addition to acting as placement agent for the Underlying IDFs, including certain Underlying SALI IDFs, J.P. Morgan intends to approach certain U.S. private banking and wealth management clients of J.P. Morgan (each, a **"JPM Client"**) with the concept of gaining indirect exposure to the Underlying IDFs, which have been identified by J.P. Morgan, through investments in Policies, the proceeds in respect of which may be invested in various Series. J.P. Morgan will neither encourage any JPM Client to purchase any Policy nor market, negotiate or sell any Policy Contract to any of such JPM Clients. J.P. Morgan does not provide advice with respect to the purchase of insurance.

The information in this Memorandum is qualified in its entirety by the Partnership Agreement. The Partnership Agreement should be carefully reviewed before an investor invests in the Partnership. In making an investment decision, investors must rely upon their own examination of the Partnership and the terms of the Offering, including the merits and risks involved.

**The Series of Partnership Interests.**

The Interests are sold in series of Interests (each a **"Series"**), each having such relative rights and preferences, including, without limitation, with respect to fees and incentive allocations, and pursuing such investment strategies as determined by the General Partner in accordance with the Partnership Agreement. All capital contributions received by the Partnership with respect to a particular Series, together with all assets in which such capital contributions are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall be held and accounted for separately from the other assets of the Partnership and of every other Series.

This Memorandum describes the rights, preferences, and strategies of the Partnership. The Series outstanding from time to time are listed in Appendix A. Modifications to the rights, preferences and investment strategies of such Series, and the terms that are specific to any new Series established by the General Partner, will be set forth in a Supplement to this Memorandum (the **"Series Supplement"**). Notwithstanding anything in this Memorandum to the contrary, with respect to any Series, if there is a conflict between the provisions set forth in the Series Supplement for such Series and the provisions set forth in the Partnership Agreement, the provisions set forth in such Series Supplement shall prevail with respect to the terms that govern such Series. The Partnership is authorized to issue additional Series from time to time pursuant to other offering materials containing financial terms and conditions that differ from those set forth herein or to accommodate regulatory requirements applicable to certain investors.

## II. INVESTMENT OBJECTIVE AND STRATEGY

**Investment Objective and Strategy.**

The Investment Manager intends to invest substantially all the assets of a Series in an Underlying IDF managed by an Underlying IDF Manager. Each Series seeks to achieve returns from investments in an Underlying IDF which utilizes the investment strategy described in the Series Supplement of such Series. There is no assurance, however, that any Series will be successful in this regard. See the applicable Series Supplement for a description of the investment objective and strategy of the Underlying IDF and the identity of the Underlying IDF Managers.

A Series, indirectly through its investment in an Underlying IDF, may vary its investment focus and asset allocation as opportunities arise and as expectations concerning the performance and risk of different investment strategies and styles changes over time. The investment strategies and styles that may be considered for investment by an Underlying IDF include without limitation: convertible arbitrage, fixed income securities arbitrage, capital structure arbitrage, equity market neutral or statistical arbitrage, merger arbitrage, distressed securities, long/short fundamental, long/short quantitative, long/short sector, short selling, global asset allocation, emerging markets, private placements, and other alternative investment strategies described in the applicable Series Supplement. Some Series, though their investments in an Underlying IDF, pursue a variety of investment styles simultaneously, and may change their strategy over time as market conditions change and opportunities arise.

Each Series through its investment in an Underlying IDF intends to maintain a portfolio in accordance with Section 817(h) of the Code.

With respect to each Series, the Investment Manager selects an Underlying IDF for allocation of such Series' assets after it has conducted due diligence investigations of various prospective Underlying IDFs and their Underlying IDF Managers introduced to the Investment Manager by J.P. Morgan, including the performance and investment returns, investment strategy, assets under management, portfolio risk, marketability and management of such Underlying IDF candidates, as well as accounting, legal, compliance, personnel and other factors. On the basis of its due diligence review, the Investment Manager selects a single Underlying IDF as an investment of a Series. The Investment Manager, as investment manager of the Underlying SALI IDFs, appoints the Underlying IDF Managers as subadvisors with respect to the Underlying SALI IDFs and has conducted such investigations prior to their appointments as subadvisors.

**Asset Allocation.**

In pursuing its investment strategy, a Series, indirectly through its investment in an Underlying IDF, may invest in a wide range of securities and other instruments, including, but not limited to, equities, equity related securities, bonds, convertible bonds, other fixed income securities and related instruments (including bank loans and insurance loans, or other forms of indebtedness such as trade indebtedness), forward contracts, currencies, debentures, convertible securities, derivatives (including interest rate and currency swaps and mortgage-backed obligations) and money market obligations. Each Underlying IDF may invest its assets in both publicly traded securities and privately placed securities, Digital Assets (as defined below), and may also invest in securities of foreign issuers and use leverage, short sales and options on stock indices or individual companies. The Underlying IDF Managers may also invest in cryptocurrencies, decentralized application tokens and other cryptofinance coins, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies (collectively, **"Digital Assets"**).

The Partnership intends for each Series to comply with the diversification requirements imposed by Section 817(h) of the Code and the Treasury Regulations thereunder generally through its investments in the

related Underlying IDF, and the General Partner will use its best efforts to ensure that each Series so complies. These diversification requirements place certain limitations on the proportion of the assets of a Series that may be represented by any single investment. For these purposes, all securities of the same issuer are treated as a single investment and each U.S. Government agency or instrumentality is treated as a separate issuer, while a particular foreign government and its agencies, instrumentalities, and political subdivision will all be considered the same issuer. The diversification requirements generally provide that an insurance dedicated fund will be considered adequately diversified only if (i) no more than 55% of the value of the total assets thereof is represented by any one investment, (ii) no more than 70% of the value of the total assets thereof is represented by any two investments, (iii) no more than 80% of the value of the total assets thereof is represented by any three investments, and (iv) no more than 90% of the value of the total assets thereof is represented by any four investments. Thus, under this general rule, an insurance dedicated fund is required to invest a specified portion of its assets in at least five distinct investments. For the purposes of diversification, the Series and the Underlying IDF will be eligible to be looked through and the test will be performed on the assets of the Underlying IDF. In general, the diversification requirement must be satisfied on the last day of each calendar quarter or within thirty (30) days thereafter. The General Partner shall provide a quarterly certification of compliance with respect to the preceding diversification requirement. The General Partner shall cure any known diversification failure within thirty (30) days.

**Other Investment Considerations.**

***Distributions and Reinvestment.*** Unless otherwise stated in a Series Supplement, it is not anticipated that any dividends or other distributions will be paid to Limited Partners, but rather that such amounts will be reinvested in accordance with the above-described investment strategy of the Partnership. The General Partner, however, retains the discretion to change this policy and distribute amounts to the Limited Partners.

***Leverage.*** A Series may borrow money for the purpose of satisfying withdrawals, bridging capital contributions to the applicable Underlying IDF, seeking to enhance investment results as it may relate to cash management efficiencies, paying operating expenses and such other purposes as the General Partner may determine. The use of leverage may vary with each Series and Limited Partners should look to the applicable Series Supplement for details regarding Series-specific use of borrowed funds. Underlying IDFs are expected to use leverage to varying degrees. It is anticipated that many of the Underlying IDF Managers will regularly use leverage in pursuit of their respective strategies.

***Cash and Cash Equivalents.*** A Series, directly or indirectly (through the applicable Underlying IDF), from time to time, may hold a portion of its assets in cash or cash-equivalent investments (such as obligations of the U.S. government and its agencies, money market securities, money market funds, commercial paper, certificates of deposit and other securities) in order to provide that Series with the liquidity to meet permitted withdrawals from such Series and as a method of diversifying such Series' assets.

***New Issues.*** Subject to applicable de minimis thresholds, generally a Series will not, indirectly (through the applicable Underlying IDF) invest in "New Issues" in accordance with Rule 5130 or Rule 5131 of the Financial Industry Regulatory Authority, as such may be amended from time to time, unless the Limited Partners in such Series expressly authorize such investments by representing their qualification to participate in "New Issues".

## III. MANAGEMENT OF THE PARTNERSHIP

**The General Partner and the Investment Manager.**

The General Partner, as general partner of the Partnership and each Series, exercises ultimate authority over the Partnership and each Series and is responsible for their day-to-day operations. The Investment Manager is responsible for investing each Series' assets pursuant to the Investment Management Agreement. The Investment Manager is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended. The most recent Part 2B of the Investment Manager's Form ADV is attached to this Memorandum as Appendix C.

The General Partner has the right to delegate certain of its responsibilities hereunder, including the responsibility of providing certain investment advisory, management, and administrative services, to suitable parties who may be compensated by a Series. The General Partner generally will also retain such other suitable parties to provide services to the Partnership or a Series, including, without limitation, legal, consulting, auditing and fund administration services. Furthermore, the General Partner, the Investment Manager and/or a Series will enter into agreements with such parties with respect to or on behalf of the Partnership or a Series, which agreements may include provisions for the indemnification and exculpation of such parties by the Partnership or such Series.

The General Partner, the Investment Manager, their affiliates and each member, manager, partner, director, officer, employee of any of the foregoing the tax matters partner and the partnership representative and, with the approval of the Investment Manager and the General Partner, agents of the foregoing (including their respective executors, heirs, assigns, successors or other legal representatives) (each an **"Indemnified Person"**) shall not be liable to the Partnership or any Limited Partner for any loss or damage occasioned by any acts or omissions in the performance of its services under the Investment Management Agreement or the Partnership Agreement, or otherwise in connection with the Partnership, its investments or operations, unless such loss or damage occurred by reason of the willful misconduct or gross negligence of such Indemnified Person or as otherwise required by law.

The Partnership has agreed to indemnify, to the fullest extent permitted by law, each Indemnified Person against any cost, expense (including reasonable attorneys' fees), judgment or liability incurred by or imposed upon them in connection with any action, suit, or proceeding to which it may be made a party or otherwise be involved or with which it shall be threatened by reason of being or having been the General Partner or Investment Manager or its having provided services to the Partnership pursuant to the Investment Management Agreement or the Partnership Agreement, except to the extent such cost, expense, judgment or liability shall have been finally determined (i) in a non-appealable decision on the merits in any such action, suit or proceeding, or (ii) on a plea of nolo contendere, to have been incurred or suffered by the Indemnified Person solely by reason of willful misconduct or gross negligence by the Indemnified Person. The Partnership shall pay the expenses incurred by the Indemnified Person in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, provided such Indemnified Person makes an undertaking to repay such amounts if there is an adjudication or determination that he is not entitled to indemnification under the Investment Management Agreement.

**Key General Partner and Investment Manager Officers.**

The key officers of SALI involved in the day-to-day operations of the General Partner and the Investment Manager, and such officers' biographies, are set forth in Part 2B of the Investment Manager's Form ADV, attached hereto as Appendix C.

## IV. SUMMARY OF INVESTMENT TERMS

*Prospective investors must refer to the supplement to this Memorandum relating to the Series being acquired (each, a **"Series Supplement"**) for terms and conditions specific to such Series. This Summary of Investment Terms, as modified or supplemented by the applicable Series Supplement, summarizes the principal terms of an investment in SALI Select Series, L.P. (the **"Partnership"**) and is subject, and qualified in its entirety by reference, to the limited partnership agreement of the Partnership, as amended, restated or supplemented from time to time (the **"Partnership Agreement"**). To the extent that the terms of this Summary (or any other part of this Memorandum) are inconsistent with the terms of the Partnership Agreement, the terms of the Partnership Agreement shall control. If there is a conflict between the provisions set forth in a Series' Series Supplement and the provisions set forth in the Partnership Agreement, the provisions set forth in such Series Supplement shall prevail with respect to the terms that govern such Series. Any offerings related to additional Series will be accompanied by a Series Supplement to this Memorandum as applicable to such additional Series.*

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| **The Partnership** | SALI Select Series, L.P., a Delaware series limited partnership (the **"Partnership"**) will form multiple series (each a **"Series"**). Each Series will be dedicated to investing into a specific Underlying IDF, which will include Underlying IDFs that are managed by the Investment Manager (the **"Underlying SALI IDFs"**), as third-party insurance dedicated funds offered by J.P. Morgan Securities LLC (**"J.P. Morgan"**) as placement agent. |
| **The General Partner** | The general partner of the Partnership is SALI Select Partners, LLC, a Delaware limited liability company (the **"General Partner"**). |
| **The Investment Manager** | The investment manager of the Partnership is SALI Fund Management, LLC, a Delaware limited liability company (the **"Investment Manager"**). The Investment Manager may delegate its investment management responsibilities for any Series as it sees fit. The Investment Manager is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. The Investment Manager also acts as the investment manager for the Underlying SALI IDFs. |
| **Investment Objective** | Each Series seeks to achieve returns from investing substantially all of the assets of such Series in various insurance-dedicated investment vehicles offered by J.P. Morgan, as placement agent. Such vehicles, which may include but are not limited to Underlying SALI IDFs, may be structured, without limitation, as hedge funds or other private investment funds, mutual funds and exchange traded funds (each such vehicle or series, the **"Underlying IDF"**). The Investment Manager acts as the investment manager for the Underlying SALI IDFs and has selected subadvisors to manage the assets of each such Underlying SALI IDF (each such subadvisor or investment manager of an Underlying IDF or Underlying SALI IDF, an **"Underlying IDF Manager"**). For acting as placement agent for an Underlying IDF, J.P. Morgan will receive a placement fee, which is borne directly or indirectly by the Underlying IDF Manager. See the applicable Series Supplement for a description of the investment objective and strategy of the Underlying IDF and the identity of the Underlying IDF Manager. |

The Partnership has been formed to serve as an investment vehicle to be offered by insurance companies to prospective Policy Owners that are JPM Clients (as defined below). In addition to acting as placement agent for the Underlying IDFs, J.P. Morgan intends to approach certain U.S. private banking and wealth management clients of J.P. Morgan (each, a **"JPM Client"**) with the concept of gaining indirect exposure to the Underlying IDFs, which have been identified by J.P. Morgan, through investments in Policies, the proceeds in respect of which may be invested in various Series. J.P. Morgan will neither encourage any JPM Client to purchase any Policy nor market, negotiate or sell any Policy Contract to any of such JPM Clients. J.P. Morgan does not provide advice with respect to the purchase of insurance.

**J.P. Morgan's Services**

J.P. Morgan will introduce various prospective Underlying IDFs listed on J.P. Morgan's platform to the Investment Manager.

The universe of Underlying IDFs listed on J.P. Morgan's platform is limited and does not represent all insurance-dedicated funds that may be available to Eligible Investors (as defined below). Some of Underlying IDFs and/or, if applicable, certain share classes of such Underlying IDFs that J.P. Morgan will introduce to the Partnership may charge investors higher fees than other substantially similar funds managed by the same manager or subadvisor. Certain Underlying IDFs may accept direct investments from Eligible Investors and, in such cases, Eligible Investors could invest directly and would not be charged the fees and expenses of the Partnership.

J.P. Morgan conducts ongoing monitoring and reevaluation of each Underlying IDF on its platform and seeks to ensure that the Underlying IDF Managers selected for the platform continue to operate to J.P. Morgan's standards.

J.P. Morgan acts as a placement agent to the Underlying IDFs introduced to the Partnership and J.P. Morgan and/or its affiliates receive ongoing fees from the Underlying IDF Managers, directly or indirectly, in exchange for such placement agent services.

**The Offering**

Limited partnership interests in the Partnership (the **"Interests"**) are being offered to prospective (i) insurance company investors (each, an **"Insurance Company Investor"** and collectively, the **"Insurance Company Investors"**) on behalf of certain of their segregated accounts (the **"Separate Accounts"**) which support variable life insurance and variable annuity contracts as defined under Section 817 of the Code to be offered and issued by the Insurance Company Investors in private placements (collectively, the **"Policies"** and separately, a **"Policy"**) and (ii) partnerships, limited liability companies or trusts whose beneficial owners consist solely of other Insurance Company Investors in satisfaction of the requirements of Treasury Regulations Section 1.817-5(f)(3) (**"Eligible Insurance-Dedicated Fund Investors,"** and together with Insurance Company Investors, the **"Eligible Investors"**). Eligible Investors that

subscribe for Interests pursuant to this offering and that are accepted by the General Partner will be limited partners in the Partnership (the **"Limited Partners"**). Each owner of a Policy is hereinafter referred to as a **"Policy Owner"** and collectively, the **"Policy Owners"**. While a Limited Partner, not a Policy Owner, will become a Limited Partner, Policy Owners will be able to allocate a portion of their investment held in the Separate Account to a Series as one of the investment options of the Policies.

**Series of Interests**

The Interests are offered in multiple Series, each having such relative rights and preferences, including, without limitation, with respect to management and incentive fees, and pursuing such investment strategies as determined by the Investment Manager in accordance with the Partnership Agreement and related Series Supplement. Specific information related to certain terms described in this Summary of Investment Terms is provided in the Series Supplements, each of which is an integral part of this Memorandum.

In accordance with Delaware law and to the extent legally recognized, the assets and liabilities of each Series will be legally segregated from the assets and liabilities of each other Series and the assets and liabilities of the Partnership generally. Accordingly, all capital contributions received by the Partnership with respect to a particular Series, together with all assets in which such capital contributions are invested or reinvested, all income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall be held and accounted for separately from the other assets of the Partnership and of every other Series.

Each investor admitted to the Partnership with respect to a particular Series (a **"Limited Partner"**) will receive, in exchange for its capital contribution to such Series, an Interest representing a proportionate share of the net assets of such Series at that time. However, a Limited Partner does not participate in any Special Situation Investment (defined below) that is initiated prior to the admission of such Limited Partner to such Series.

Interests within each Series may also be issued in separate classes, having such terms as the General Partner shall determine.

**Suitability**

Interests will be sold to Eligible Investors who (i) are "accredited investors" as defined under the Securities Act, (ii) are "qualified purchasers" as defined under the Investment Company Act of 1940, as amended, (iii) represent to the General Partner and the Partnership that all Policy Owners are "accredited investors" and "qualified purchasers" and (iv) are "qualified eligible persons" within the meaning of Rule 4.7 of the CFTC. The General Partner may, in its discretion, impose other eligibility requirements and accept or reject subscriptions for Partnership interests for any reason. The General

Partner may, in its discretion, accept or reject any subscriptions for Interests in any Series.

**Minimum Commitment**

Each Limited Partner should review the appropriate Series Supplement for minimum subscription requirements, which are subject to increase or waiver at the General Partner's discretion. Subject to the foregoing limitations, each Limited Partner may set its own limitations on the minimum amount a Policy Owner must agree to invest in a Policy, as well as the minimum amount a Policy Owner may allocate to a Series.

**Subscriptions**

Unless specified otherwise in a Series Supplement, the General Partner may admit additional Limited Partners to a Series and accept additional capital contributions from existing Limited Partners in such Series as of the first day of any calendar month and at such other times as it may allow in its discretion. Unless otherwise determined by the General Partner, capital contributions must be in a Series' account on the last business day before the first business day of the month.

A Limited Partner wishing to make an initial investment in a Series, increase an existing investment or reallocate its investment among the Series must give the General Partner at least five business days' notice thereof, unless specified otherwise in the applicable Series Supplement.

**Capital Accounts**

Each Series will maintain a capital account (**"Capital Account"**) for each Partner (as defined below) with an Interest in such Series to reflect contributions, withdrawals, distributions, pro rata allocations of net profit and net loss of such Series and any partner-by-partner allocations (as summarized below). Limited Partners may request for a Series to establish a separate sub-account for each Policy Owner for such purposes as the General Partner may determine appropriate, including for recordkeeping, accounting or reporting or to otherwise give effect to the provisions of the Partnership Agreement. The initial balance of each Partner's Capital Account with respect to such Series will be equal to the amount contributed to such Series by such Partner. No Limited Partner will be required or obligated at any time to contribute any additional amount to its Capital Account. A Limited Partner holding Interests in more than one Series will have a separate Capital Account for each Series.

**Allocations of Net Profit and Net Loss**

Net profit or net loss of a Series will be allocated among the Limited Partners with an Interest in such Series and the General Partner (collectively, the **"Partners"**) as of the close of each fiscal month, at any other time when the Series receives additional capital contributions or effects a withdrawal or distribution, at the time of a disposition or other "Recognition Event" (as defined below) with respect to a Special Situation Investment, or at such other times as the General Partner may determine. The period for which net profit or net loss will be calculated pursuant to the previous sentence is referred to as the **"Accounting Period"**.

Profit and loss for each Series attributable to Special Situation Investments (as described below) are determined and allocated among the Partners with an Interest in such Series separately and are not reflected in the determinations and allocations of net profit or net loss attributable to the remainder of such Series' net assets.

As of the close of any Accounting Period, any net profit or net loss of a Series will be allocated first to the Series to which it relates. Any net profit or net loss allocated to a Series will then be allocated to each Partner with an Interest in that Series based on each Partner's percentage interest in that Series as of the commencement of the relevant Accounting Period; provided, that net profit or net loss of Special Situation Investments will be allocated only following a Recognition Event pro rata among Partners participating in the relevant Special Situation Investments. Each Partner's percentage interest in the applicable Series as of the commencement of any Accounting Period is based on the value of the Partner's total Capital Account balance in respect of such Series at such time (excluding any amount attributable to such Partner's share of Special Situation Investments in respect of such Series) in relation to the sum of all Capital Accounts attributable to such Series at such time (excluding the aggregate amount of net assets attributable to Special Situation Investments of such Series) (each, a **"Series Percentage Interest"**).

As of the close of each Accounting Period, expenses of the Partnership incurred or accrued during such Accounting Period will be allocated pro rata among the Series. Thereafter, such expenses that are payable by the Partners will be allocated among the Capital Accounts of the Partners in proportion to their respective Series Percentage Interests in the applicable Series, as of the commencement of such Accounting Period.

**Management Fee**

In consideration for the provision of investment advisory services to each Series, there shall be debited from the Capital Account of each Limited Partner and paid to the Investment Manager (or an affiliate of the Investment Manager) a management fee (the **"Management Fee"**) computed as specified in the Series Supplement relevant to such Limited Partner.

**Underlying IDF Fees**

Fees charged by the Partnership and each Series are in addition to any management, incentive and administrative fees charged by the Underlying IDFs in which a Series invests. Additionally, each Underlying IDF will also bear its own operating and investment-related expenses, which will be shared by the partners in such Underlying IDF, including the applicable Series. For a description of the fees charged by each Underlying IDF, please see the appropriate Series Supplement.

**Restricted New Issues**

A Series, indirectly through an Underlying IDF, may from time to time purchase securities in public offerings made through member firms of the Financial Industry Regulatory Authority ( **"FINRA"**) on behalf of a Series. FINRA member firms are not permitted to sell certain new issues (**"Restricted New Issues"**) to accounts in which certain persons have a significant beneficial interest that are involved in the securities industry or to executive officers or directors of companies that are current, recent or prospective investment banking clients of the relevant underwriters (**"Restricted Persons"**). In order to enable a Series to participate in Restricted New Issues through its investment in an Underlying IDF, the Partnership will require each Limited Partner with an Interest in any applicable Series to provide information to enable the Partnership to determine whether the Limited Partner is a Restricted Person. When a Series invests in a Restricted New Issue through its investment in an Underlying IDF, the profits and losses associated with the investment will generally be allocated to the Capital Accounts attributable to those Limited Partners who are permitted by the FINRA rules to have a beneficial interest therein.

The FINRA rules permit Restricted Persons that are involved in the securities industry to have in the aggregate up to a 10% participation in Restricted New Issues and Restricted Persons affiliated with a particular investment banking client to have up to 25% participation in Restricted New Issues. If the ownership of a Series by Restricted Persons exceeds the maximum percentage, the General Partner will allocate such excess amount pro rata among the Capital Accounts with respect to such Series not attributable to Restricted Persons or on such other basis that the General Partner reasonably determines ensures compliance with the New Issue Rules.

If a Restricted New Issue in which participation by Restricted Persons has been capped is not promptly sold, the investment may be reallocated among all applicable Capital Accounts on a pro rata basis (including all Restricted Persons) after a secondary market develops at such secondary market price.

**Partnership and Series Expenses**

Expenses related to the segregated pool of assets associated with a particular Series or otherwise attributable to a particular Series will be borne by the related Series.

Except as otherwise described below or in a Series Supplement, the General Partner and the Investment Manager shall bear their own operating and overhead expenses attributable to the management of the Partnership and each Series (such as salaries, bonuses, rent, office and administrative expenses, and depreciation and amortization). The Partnership will not have its own separate employees or office, and, except as set forth below, will not reimburse the General Partner or

Investment Manager for salaries, office rent and other general overhead costs of the General Partner or Investment Manager.

Unless otherwise specified in the Partnership Agreement, each Series pays all costs and expenses arising in connection with its organization and the offering of Interests in such Series as well as its pro rata portion of all costs and expenses arising in connection with the organization of the Partnership, including the Partnership's ordinary administrative and operating expenses. Such expenses payable by each Series include, without limitation:

(i) all costs and expenses directly related to investments or prospective investments of the Partnership, including fees of professional advisors, consultants and finders relating to investments or prospective investments, brokerage commissions and other transaction costs, expenses related to proxies and underwriting, interest and commitment fees on debit balances or borrowings, custody fees;

(ii) any withholding, transfer or other taxes imposed on the Partnership, the Series or any of its Partners;

(iii) any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any U.S. federal, state or local laws;

(iv) to the extent permitted by applicable law, and subject to the terms of the Partnership Agreement, legal fees and costs (including settlement costs) arising in connection with litigation or regulatory investigation instituted against the Partnership, the Series, the Investment Manager or the General Partner in its capacity as such and other extraordinary expenses;

(v) the cost of the audit of the Partnership's or the Series' financial statements and the preparation of its tax returns (including with respect to FATCA compliance. See Section VI, "Tax Considerations");

(vi) the fees and expenses for financial and tax accounting and reporting services, and administrative services on behalf of the Partnership and each Series, including reimbursement of the Investment Manager and its affiliates for time incurred to assist with accounting and auditing for the Series;

(vii) the fees and expenses of the Partnership's and the Series' administration and operation;

(viii) the fees and expenses of the Partnership's or the Series' counsel in connection with advice directly relating to their legal affairs, including expenses incurred in respect of litigation involving the Partnership or a particular Series, subject to provision (iv) above;

(ix) the costs of any outside appraisers, accountants, attorneys or other professionals or consultants engaged by the General Partner or the Investment Manager as well as other expenses directly related to the Partnership's investment program;

(x) specific expenses incurred in obtaining systems, research or data providers and other information utilized for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software;

(xi) the Management Fee;

(xii) each Series' pro rata share of the fees and expenses of the Underlying IDF;

(xiii) all costs and expenses associated with the organization of the Partnership, including ordinary legal and accounting fees, printing costs, travel and out-of-pocket expenses and compliance with any applicable U.S. federal and state laws, except as otherwise determined by the General Partner;

(xiv) all costs and expenses associated with the offering of Interests, including solicitation fees (as described in the "Third Party Solicitor's" section below). Any fees charged to, or expenses incurred by the Investment Manager in connection with such arrangements will not result in incremental expenses to the Insurance Company Limited Partners;

(xv) the costs and expenses of holding any meetings of Partners;

(xvi) risk management and compliance expenses (including costs and fees associated with the preparation and filing of required regulatory filings such as Forms PF and PQR) and the costs of any liability insurance, including errors and omissions insurance, directors and officers insurance, and fidelity bonds obtained, on behalf of the Partnership, the General Partner and/or the Investment Manager;

(xvii) all costs and expenses associated with reporting and providing information to existing and prospective Partners, including any expenses of the Investment Manager in obtaining licenses for data room software and administration system user licenses for the use of Limited Partners in obtaining offering documents or reports and submitting subscription and withdrawal documents; and

(xviii) any tax due from the Partnership (or any entities through which the Partnership invests) under Section 6225 of the Code that is allocable, as determined by the General Partner, to the Interest of a current Partner (whether or not the tax in question applies to a taxable period of the Partnership during which the current Partner held an Interest in the Partnership).

Organizational expenses of the Partnership are being, and each Series were fully amortized over a 60-month period commencing on the initial closing date of the Partnership and each Series. Although the amortization of the Partnership's and each Series' organizational expenses over a 60-month period may be a divergence from generally accepted accounting principles (**"GAAP"**), the General Partner believes that doing so is more equitable than requiring the initial Partners to, in effect, bear all of the Partnership's or a Series' organizational expenses as would otherwise be required under GAAP. Accordingly, if the organizational expenses are deemed material by the auditors of the Partnership, and their amortization would result in any Series receiving a qualified audit report, then such Series may make GAAP conforming changes for financial reporting purposes but amortize the expenses for purposes of calculating net asset value of the Series. In such case, there will be a divergence between the fiscal year-end net asset value of the Series and the net asset value of the Series reported in its financial statements. If the Partnership or any Series is terminated before its organizational expenses are fully amortized, any unamortized expenses will be recognized.

The General Partner may allocate certain expenses to a particular Series in its discretion.

Underlying IDF Managers may use "soft dollar" credits on transactions of Underlying IDFs for research, as well as for other services and products outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain non-research products and services.

The General Partner may, to the extent that it otherwise would be entitled to engage a third party service provider at the expense of the Partnership or a Series, elect to have such services performed by the Investment Manager (the **"Ancillary Services"),** such as legal, accounting, audit-related and compliance services provided by employees of the Investment Manager. In such instances, the

Partnership or a Series will pay the Investment Manager for actual operating and/or overhead expenses incurred in the performance of such Ancillary Services; provided that in no case shall the Investment Manager be paid in excess of an amount which the General Partner has reasonably determined would otherwise have been charged to the Partnership or Series by a third party service provider at market rates for such services. The General Partner has elected to have the Investment Manager perform accounting and audit-related Ancillary Services; the General Partner believes such arrangements provide the Partnership or a Series with such accounting and audit-related services more effectively and at a better value to Limited Partners than would otherwise be achieved through third-party providers charging market rates for such services. Any payments received by the Investment Manager for Ancillary Services will not offset the Management Fee, the Incentive Fee, or any other fee otherwise owed to the General Partner or the Investment Manager.

**Withdrawals and Distributions**

Each Limited Partner should review the appropriate Series Supplement for withdrawal and distribution terms relating to each specific Series. To the extent permitted by an Underlying IDF, the General Partner, on its own behalf and/or on behalf of a Series, may enter into a side letter or similar agreement with any Limited Partner to provide exceptions or departures from the provisions of the governing documents, including but not limited to the ability to change terms relating to liquidity or compensation.

The General Partner may provide greater levels of portfolio transparency on some Series than others. Transparency may also be provided to a Limited Partner on a confidential/ "do-not-distribute" basis.

In specific circumstances accelerated liquidity on death of an insured on a Policy and/or withdrawals for Policy expenses are provided.

**Special Situation Investment Allocations**

Certain investments made by an Underlying IDF in which a Series invests may be or become non-marketable or illiquid investments, and as such, the Series' proportionate interest in such illiquid investments may also become non-marketable or illiquid investments (**"Special Situation Investments"**). The General Partner may determine, in its sole discretion, whether and when to classify a Series' investment as a Special Situation Investment, generally as a result of such classification being made by an Underlying IDF with respect to assets in which the Series invests. When a Series makes a Special Situation Investment or on the date that the investment is designated as a Special Situation Investment, each Partner in such Series at such time is allocated a pro rata interest in the Special Situation Investment, based on such Partner's Series Percentage Interest (exclusive of Special Situation Investments) at such time. An amount equal to such Partner's pro rata share of the cost of a Special Situation Investment is debited from such Partner's Capital Account balance (exclusive of Special Situation Investments) and credited to a separate sub-account, maintained on a Partner-by-Partner basis, relating specifically to such Special Situation

Investment (the **"Special Situation Investment Sub-Account"**). Each Policy Owner investing through a Partner holding a Special Situation Investment Sub-Account will indirectly own a pro rata portion of such Special Situation Investment Sub-Account. The Special Situation Investment Sub-Accounts relating to a particular Special Situation Investment are closed out, and the associated profit or loss is determined and allocated, upon the occurrence of a Recognition Event relating to such Special Situation Investment. A **"Recognition Event"** means any of the following:

(a) a sale of the Special Situation Investment for cash;

(b) an exchange of the Special Situation Investment for marketable securities;

(c) an in-kind distribution of the Special Situation Investment to Partners;

(d) at the discretion of the General Partner and if market quotations have become readily available for securities of the same class and series as the Special Situation Investment, the occurrence of all events necessary to permit a Series to make unrestricted public resales of such Special Situation Investment in the principal market for which such quotations are available;

(e) a determination by the General Partner that the circumstances which resulted in classification as a Special Situation Investment no longer exist; or

(f) the liquidation of the relevant Series' assets pursuant to the winding up and dissolution of such Series.

The profit or loss relating to a Special Situation Investment is equal to the difference between the sales proceeds (in the case of a sale) or the fair market value (in the case of another Recognition Event) and the original cost of the Special Situation Investment. Appropriate adjustment is made for any expenses directly related to the Special Situation Investment and for any dividends or interest received with respect thereto. The profit or loss relating to a particular Special Situation Investment is allocated pro rata among each of the Partners participating in such Special Situation Investment based on each such Partner's Special Situation Investment Sub-Account, with no allocation being made to any Partner not having a Special Situation Investment Sub-Account relating to the particular Special Situation Investment. For the avoidance of doubt, a Partner does not participate in any Special Situation Investment that is initiated prior to the admission of such Partner to a Series. Policy Owners investing through Partners participating in a Special Situation Investment will be indirectly allocated a pro rata portion of such Special Situation Investment's profit or loss.

When a Special Situation Investment Sub-Account is closed, each Partner's balance therein is combined with such Partner's Capital Account, and each Partner's percentage interest in the applicable Series will be adjusted accordingly. Indirectly, Policy Owners will accordingly have their pro rata balance in the Special Situation Investment Sub-Account combined with their pro rata portion of such Limited Partner's Capital Account, and each Policy Owner's indirect percentage interest in their Capital Account will be adjusted accordingly.

**Borrowing and Leverage**

A Series may borrow funds for the purpose of satisfying withdrawals, bridging capital contributions to the applicable Underlying IDF, seeking to enhance investment results as it may relate to cash management efficiencies, paying operating expenses and such other purposes as the General Partner may determine. The use of leverage may vary with each Series and Limited Partners should look to the applicable Series Supplement for details regarding Series-specific use of leverage and borrowed funds. Underlying IDFs are expected to use leverage to varying degrees. It is anticipated that many of the Underlying IDF Managers regularly use leverage in pursuit of their respective strategies.

**Transfers**

Interests may not be pledged, transferred or assigned without the prior written consent of the General Partner. The consent of the General Partner with respect to the forgoing may be given or withheld for any reason and may be subject to such reasonable conditions, including the making of representations or the provision of opinions of counsel, as the General Partner may, in its discretion, determine. The General Partner will not permit pledges, transfers or assignments of Interests if it determines in its discretion that such pledges, transfers or assignments will cause the Partnership to be, or pose a material risk that the Partnership will be, treated as a "publicly traded partnership" taxable as a corporation, or will pose a material risk that the Partnership will lose "look-through" treatment under Treasury Regulations Section 1.817-5(f). Transfers can only be made to investors who satisfy the financial and other requirements set forth in the Partnership's subscription materials and the Partnership Agreement. No transfer of a Partner's Interests to any person that is not (i) a Separate Account supporting a Policy or an Insurance Company Investor that intends to hold such Interests on behalf of such a Separate Account or (ii) an Eligible Insurance-Dedicated Fund Investor, shall be permitted. A potential transferee who does not qualify either as a life insurance separate account supporting a variable life insurance policy, an insurance company that intends to hold such Interest on behalf of such separate account or an Eligible Insurance-Dedicated Fund Investor will not be entitled to receive any share of capital or profits of the transferring Partner or have any other rights under this Agreement.

**Indemnification**

The General Partner, the Investment Manager and their respective affiliates and each member, manager, partner, director, officer, employee of any of the foregoing, the tax matters partner and the

partnership representative and, with the approval of the Investment Manager and the General Partner, agents of the foregoing (including their respective executors, heirs, assigns, successors or other legal representatives) (each an **"Indemnified Persons"**), the tax matters partner and the partnership representative, shall not be liable to the Partnership or the Limited Partners for any loss or damage occasioned by any acts or omissions in the performance of its services on behalf of the Partnership or a Series in the absence of willful misconduct or gross negligence of such Indemnified Person or as otherwise required by law, and for losses due to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided that such broker or agent was selected, engaged or retained by the Partnership without gross negligence. The Partnership Agreement and the Investment Management Agreement contain provisions for the indemnification of the Indemnified Persons by the Partnership (but not by the Limited Partners individually) against any liabilities arising in connection with the performance of their activities on behalf of the Partnership or a Series to the extent permitted by law, including the federal securities laws.

**Valuations**

Generally, the assets of a Series will be valued at the net asset value provided by the applicable Underlying IDF Manager in accordance with the practices and policies of the relevant Underlying IDF. If the General Partner determines that any valuation methodologies of any investments or other property does not fairly represent market value, the General Partner will value such security or other property as it reasonably determines and will set forth the basis of such valuation in writing in the records of the Series. Assets of a Series that are invested pursuant to investment advisory agreements will be valued by the General Partner at fair value in a commercially reasonable manner. All other assets of a Series will be assigned such value as the General Partner may reasonably determine. Special Situation Investments (which do not affect Capital Account allocations pending a Recognition Event) are generally carried at estimated fair value in accordance with generally accepted accounting principles as determined by the General Partner. The estimated fair value of Special Situation Investments typically will be based on relevant factors including, but not limited to, historical cost, recent add-on transactions, estimated liquidation or sales value, and meaningful third-party transactions in the private market.

Prospective investors should be aware that the situations involving uncertainties as to the valuation of a Series' investments could have an adverse effect on a Series' net assets if the judgments regarding appropriate valuations should prove incorrect. Absent bad faith or manifest error, such net asset value determinations are conclusive and binding on all Partners.

**Reserves**

Appropriate reserves may be accrued and charged against net assets of a Series or Special Situation Investments and proportionately against the Capital Accounts of the Partners (including against the Capital Accounts of withdrawing Partners) for contingent liabilities,

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| | such reserves to be in the amounts (subject to increase or reduction) which the General Partner deems necessary or appropriate. |
| **Limited Liability of Limited Partners** | Limited Partners will not have personal liability for the debts or obligations of the Partnership. |
| **Fiscal Year** | The Partnership and each Series has a fiscal year ending on December 31 of each calendar year. |
| **Risk Factors** | The Partnership's investment program is speculative and entails substantial risks. See Section V, "Certain Risk Factors and Potential Conflicts of Interest". |
| **Reports to Partners** | The General Partner will provide monthly unaudited reports to each Limited Partner setting forth performance data of the Series and the net asset value of the Limited Partner's Capital Account. The reports generally will be provided to each Limited Partner by the 20th business day after the end of each calendar month, unless otherwise determined between the General Partner and Limited Partner or indicated otherwise in the applicable Series Supplement.<br><br>Additionally, the General Partner will provide Limited Partners as soon as practicable after the end of each taxable year (or as otherwise required by law) annual reports containing financial statements examined by the applicable Series' independent auditors as well as such tax information necessary for each Partner to complete U.S. federal and state income tax or information returns, along with any other tax information required by law. |
| **Diversification** | Unless specified otherwise in a Series Supplement, the General Partner will represent to each Limited Partner on a quarterly basis that each Series is in compliance with the diversification requirements of Section 817(h) of the Code. A Series will cure any known diversification noncompliance within 30 days after the end of such quarter. |
| **Dissolution and Liquidation** | Dissolution of the Partnership or termination of a Series may occur (i) upon the written election of the General Partner to dissolve the Partnership or terminate a Series, (ii) any time that there are no Limited Partners of the Partnership (unless the Partnership is otherwise continued in accordance with the Act) or (iii) upon the occurrence of any event which results in the General Partner (or a successor to its business) ceasing to be the general partner of the Partnership; provided that within 120 days following the date on which the General Partner (or any successor) ceases to be the general partner of the Partnership, all of the Limited Partners may elect to continue the Partnership by appointing a replacement general partner. Upon the occurrence of any such event, the General Partner (or a liquidator elected by a majority in interest of the Limited Partners, if the General Partner is unable to perform this function) will be charged with winding up the affairs of the Partnership or the relevant Series, liquidating its assets to the extent feasible and making liquidating |

distributions (in cash or in securities or other assets, whether readily or not readily marketable) pro rata in accordance with each Partner's Capital Account balance. Such distributions may be delayed in order to maintain compliance with Section 817(h) of the Code (see Section VI. Tax Considerations). A Series may be terminated and its affairs wound up without causing the dissolution of the Partnership.

**Changes to the Partnership Agreement**

In general, the Partnership Agreement may be amended only by a written instrument executed by the General Partner and

(i) by Limited Partners representing more than one-half of the Interests of all of the Limited Partners in the Partnership with respect to matter affecting all Series and

(ii) the decision of Limited Partners representing more than one-half of the Interests of Limited Partners in a particular Series with respect to matters affecting only such Series.

Notwithstanding the foregoing, the General Partner may amend the Partnership Agreement without the consent or approval of the Limited Partners, provided that any Limited Partner whose rights as a Limited Partner would be materially and adversely changed by any amendment has an opportunity to withdraw from the Partnership as of a date that is not less than 45 days after the General Partner has furnished written notice of such amendment to each Limited Partner and that is prior to the effective date of the amendment. The General Partner may also amend the Partnership Agreement without the consent or approval of the Limited Partners to comply with any applicable law or regulation, to clarify any ambiguity, to change the name of the Partnership, to reflect a change in the identity of the General Partner or to make any other change that does not materially and adversely affect any Limited Partner. The admission and withdrawal of Limited Partners will not require notice or disclosure to, or the approval of, the other Limited Partners.

The General Partner shall have the absolute discretion to agree with a Limited Partner to waive or modify the application of any provision of the Partnership Agreement with respect to such Limited Partner (including those relating to Management Fees and withdrawals) without obtaining the consent of any other Limited Partner. Waiving or modifying the application of any provision of the Partnership Agreement with respect to a Limited Partner will be deemed to not materially and adversely affect any other Limited Partners.

**Third Party Solicitors**

As described in "Partnership and Series Expenses" clause xiv above, the Investment Manager may enter into arrangements pursuant to which it compensates third parties for client and/or Partnership investor referrals. In general, third party solicitors may receive a portion of the fees otherwise payable to the Investment Manager or Investment Subadvisor. Except as may be set forth in a Series Supplement, Limited Partners will not bear or be charged any

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| | placement or solicitation fees in addition to the fees previously disclosed. |
| **Limited Partner Agreements** | The General Partner, on its own behalf and/or on behalf of any Series, may enter into an agreement with any Limited Partner to provide exceptions or departures from the provisions of the governing documents, including but not limited to the ability to change terms relating to liquidity or fees. |
| **ERISA Considerations** | The General Partner intends to limit investment in any Series by "benefit plan investors" so that the assets of any Series will not be considered "plan assets" for purposes of the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**). See Section VII, "ERISA Considerations." |

## V. CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Investment in a Series is speculative and involves certain risks. Certain of these risks are summarized below. A Series may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with its investments. An investment in a Series does not constitute a complete investment program. Investors will not have recourse except with respect to the assets of the applicable Series. Prospective investors should give careful consideration to the following risk factors, as well as any additional risk factors set forth in the relevant Series Supplement, in evaluating the merits and suitability of an investment in a Series as they relate specifically to Interests or to the applicable Series in general, as the context requires. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in a Series. Rather, the following describes certain specific risks to which a Series is subject and with respect to which the General Partner strongly encourages potential investors to carefully consider and to consult regarding the same with their own legal, tax and financial advisors, as they deem necessary.

Prospective Policy Owners who may be in receipt of this Memorandum must refer to the separate offering documents for the Policies for information relating to the risks associated with the purchase of Policies, which risks are not described in this Memorandum. Prospective Policy Owners must also consult the Series Supplement for additional information pertaining to the Series in which they are acquiring Interests. References herein to the Partnership include the relevant Series, except as the context requires otherwise.

**Risks Relating to Series Interests**

***Concentration of Investments.*** Each Series will invest in a single Underlying IDF. The assets of any Underlying IDF may be concentrated in a small number of investments. Concentration of investments may result in greater volatility than would occur with greater diversification, with the result that a loss in any such position could have a material adverse impact on a Series' capital.

***Illiquidity.*** Because of the limitation on withdrawal rights and the fact that Interests are not tradable, an investment in a Series is an illiquid investment and involves a high degree of risk. An investor in a Series must be able to afford a loss of all or a substantial part of such investment. Additionally, investments by a Series will be illiquid, and consequently such Series will have limitations on its withdrawal and transfer rights. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by a Series and other factors. Furthermore, the nature of a Series' investments may require a long holding period prior to profitability.

***Multiple Levels of Expense.*** The Series and the Underlying IDFs incur operating costs, administrative fees and expenses and management fees, and the Underlying IDFs may also be subject to performance-based fees. This will result in greater expense and lesser return on investment, which may be material, than if a Limited Partner invested directly in an Underlying IDF.

***Absence of Regulatory Oversight.*** While the Partnership and each Underlying IDF may be considered similar to an investment company, they do not intend to register as such under the Investment Company Act of 1940, as amended (the **"Investment Company Act"**), and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not apply.

***Lack of Operating History.*** A Series may be recently-formed and may not have extensive operating histories of their own for prospective investors to evaluate prior to making an investment. A Series' investment program should be evaluated on the basis that there can be no assurance that the Series or the

Underlying IDF will achieve its investment objective or that there will be a return of all or any portion of an investor's capital.

***Overall Investment Risk.*** All securities investments risk the loss of capital. The nature of the securities to be purchased by a Series, indirectly through its investment in an Underlying IDF, and the investment techniques and strategies to be employed in an effort to increase profits, including the use of leverage or speculative techniques, may increase this risk. While the Investment Manager will devote its best efforts to the management of the Partnership's portfolio, there can be no assurance that any Series will not incur losses. Many unforeseeable events, including actions by various government agencies, such as the Federal Reserve Board, and domestic and international political events, may cause sharp market fluctuations.

***Restrictions on Transfers and Withdrawals.*** The Interests are not registered under the Securities Act of 1933, as amended (the **"Securities Act"**) or any state securities laws and may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. The Partnership has no plans, and is under no obligation, to register the Interests under the Securities Act. No market exists for the Interests and one is not expected to develop. Further, Limited Partners may not transfer or assign their Interests without the prior written consent of the General Partner, which consent may be withheld in its discretion. In addition, Limited Partners are subject to withdrawal restrictions as set forth in the applicable Series Supplement. A subscription for Interests should be considered only by potential investors financially able to maintain their investment and who can accept a loss of all of their investment.

***Distributions.*** Because the Underlying IDFs and each Series will not ordinarily make distributions to their limited partners, all earnings of the Underlying IDFs and each Series are expected to be retained for reinvestment. A Limited Partner is required to report taxes on its allocable share of income from a Series, even if no cash is distributed by the applicable Series.

***Business and Regulatory Risks of Investment Funds.*** Legal, tax and regulatory changes could occur during the term of a Series that may adversely affect such Series. The regulatory environment for investment funds is evolving, and changes in the regulation of investment funds may adversely affect the value of investments held by a Series and the ability of such Series to make suitable investments or otherwise to pursue its trading strategy. In addition, the futures and commodities markets are subject to comprehensive statutes, regulations and margin requirements. The CFTC, the Securities and Exchange Commission (the **"SEC"**), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on a Series could be substantial and adverse.

**Broker-Dealer Risk.** A Series may deposit assets with broker-dealers. Rule 15c3-3 under the Securities Exchange Act of 1934, as amended, requires a broker-dealer to segregate a customer's commodity interests. If a broker-dealer fails to do so, a Series may be subject to a risk of loss of the assets held by the broker-dealer in the event of the broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by a Series, the Securities Investor Protection Corporation provides a maximum of $500,000 of account insurance, only $250,000 of which may be taken in cash. Because a Series' assets on deposit are expected to exceed these amounts, the Series may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer.

***Series Limited Partnership Risks.*** The Partnership is a Delaware multi-series limited partnership. As a matter of Delaware law, the assets of one Series will not be available to satisfy the liabilities of another Series. The principal advantage of a series limited partnership is that, although it is still a single legal entity, it may protect the assets of one Series in the Partnership from the liabilities of other Series under Delaware law. However, the Partnership may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognize such segregation. There is no guarantee that the courts

of any jurisdiction will respect the limitations on liability associated with series limited partnerships. Additionally, each Series may consist of a number of classes of Interests. Such classes are not separate legal entities and there is no ring fencing of assets attributable to a particular class of Interests within each Series. If the assets attributable to one class of Interests in a Series were completely depleted by losses and a deficit remained, a creditor could enforce a claim against the assets of the other classes of Interests of the same Series. As at the date of this Memorandum, the General Partner is not aware of any such existing or contingent liability as between classes or Series. Additionally, because certain regulatory and compliance obligations are undertaken at the Partnership level, it is possible that the timing and size of investments by a particular Series could potentially affect the Partnership overall, and by extension, other Series.

***Estimates and Timeliness of Information***. The General Partner will have limited ability to assess the accuracy of the valuations received from the Underlying IDFs. Furthermore, the net asset values received by the General Partner from such Underlying IDFs will typically be estimates only, subject to revision through the end of each Underlying IDF's annual audit, and no net asset value figure of a Series can be considered final until such Series' annual audit is completed. Amounts distributed to Limited Partners based upon such estimates will be final and no Limited Partner is entitled to additional amounts if such estimates are later amended. The lack of access to, untimeliness of and/or inaccuracy of information provided by Underlying IDF Managers may make it more difficult for the Investment Manager to evaluate Underlying IDFs and Underlying IDF Managers.

***Estimated Fair Market Values for Distributions and Subsequent Closing Investors***. Distributions and reallocations with respect to either withdrawals from a Series or initial and additional subscriptions in a Series subsequent to the initial closing will be based on estimates of the aggregate of the fair value of such Series' investments (including information provided by the Portfolio Fund Managers and/or an administrator of the Portfolio Funds in accordance with the practices and policies of the Portfolio Fund). It should be noted that additional, withdrawing or remaining Limited Partners in such Series, as the case may be, will bear the risk that such determinations of fair value by a Series or the Portfolio Fund Managers are not correct. Furthermore, the fair values received by a Series from the Portfolio Fund Manager typically will be subject to revision through the end of each underlying Portfolio Fund's annual audit. Revisions to a Series' gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final until such Series' own audit is completed.

In particular, in cases of full withdrawals from a Capital Account for a Series, the General Partner will determine the relevant preliminary payments and holdback amounts in good faith based upon the best information available at the relevant time; however, such calculations may later prove to be incorrect and subject to revision or adjustment (including but not limited to such Series' annual audit process). To the extent that a preliminary payment made to a withdrawing Limited Partner exceeds the full amount due in respect of a Capital Account, the General Partner may have limited ability, or may not be successful in any attempts, to clawback any excess amount paid. Consequently, such Series will suffer a loss with regard to such excess amount paid and the net asset value of each other Capital Account will be adversely affected on a pro-rata basis.

***Possible Effect of Substantial Withdrawals.*** Substantial withdrawals of Interests or the interests of other investors in the Underlying IDFs could require a Series and or an Underlying IDF to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the withdrawals. Illiquidity in certain securities could make it difficult for such Underlying IDF and/or Series to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the Underlying IDF and/or Series.

***Bankruptcy Proceedings, Class Actions and Other Litigation Matters.*** The Investment Manager disclaims responsibility to monitor the pendency of bankruptcy proceedings, class actions or other litigation matters which are unlikely to have a material bearing upon the financial position of any Series. To the extent, however, that the Investment Manager becomes aware of any such proceeding, action or other litigation matter which, in the Investment Manager's reasonable judgment, may have such a bearing upon the financial

position of a Series, the Investment Manager will expend reasonable efforts to monitor the pendency of the matter, and will endeavor to take steps to ensure that the Series timely files whatever proofs of claim, settlement elections or other submissions are required in order to reasonably protect the interests of affected Series security holders in the matter. All fees of attorneys or other third party service providers, as well as other reasonable out-of-pocket expenses incurred in this connection will be borne by the affected Series.

***Regulatory Risks of Investment Funds.*** The regulatory environment for investment funds is evolving and changes therein may adversely affect the ability of a Series to obtain the leverage it might otherwise obtain or to pursue its investment strategies. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in 2010, increased reporting requirements, limited certain trading activity and imposed regulatory oversight by various agencies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by a Series. The effect of any future regulatory or tax change on a Series is impossible to predict.

***Side Letters.*** The General Partner may enter into side letters or other agreements with certain prospective or existing investors with respect to a Series that waive or modify the application of the terms and conditions described herein or in the applicable Series Supplement (including those relating to fees, liquidity and transparency), without obtaining the consent of any other Limited Partner in such Series and without entitling any other Limited Partner in such Series to such waiver or modification. Waivers or modifications of terms and conditions are made solely in the discretion of the General Partner and may, among other things, be based on the size of the investor's investment in the Partnership or a Series or affiliated investment entity, an agreement by an investor to maintain such investment for a significant period of time, or other similar commitment by such an investor. The risks related to an investment in a Series may be amplified to the extent that some Limited Partners in such Series may be entitled to more favorable liquidity or transparency rights than others.

**Risks Relating to Investments in the Underlying IDFs**

The following risks relate to a Series' investment in an Underlying IDF. They do not represent a complete picture of the risks that may be associated with investment in an Underlying IDF.

***Lack of Operating History.*** A Series may invest in an Underlying IDF with no prior operating history for prospective investors to evaluate. Similarly, the managers of such newly-formed Underlying IDFs may lack discrete investment track records. A Series' investment program should be evaluated on the basis that there can be no assurance that the Underlying IDF will achieve its investment objective or that there will be a return of all or any portion of an investor's capital by the Underlying IDF.

***Control Over Underlying IDF Managers.*** Each Series will invest in an Underlying IDF that the Investment Manager believes will generally be managed consistently with a Series' investment objective and strategy. Beyond selecting the Underlying IDF Manager for a Series, the Investment Manager does not control the Underlying IDF Manager. There can be no assurances that an Underlying IDF Manager will manage an Underlying IDF in a manner consistent with a Series' investment objective and strategy.

***Risk of Fraud by an Underlying IDF Manager.*** Certain of the Underlying IDF Managers could divert or abscond with a Series' assets, fail to follow the disclosed investment strategy or otherwise defraud the Series. While the Investment Manager will attempt to perform due diligence on the Underlying IDF Managers, an Underlying IDF Manager may undermine the Investment Manager's due diligence efforts by providing false information or through other deceptive practices. In addition, financial fraud may contribute to overall market volatility that can negatively impact a Series' investment program.

***Lack of Information Regarding Underlying IDFs.*** The Investment Manager evaluates and monitors the Underlying IDFs based in part on the information it receives from the Underlying IDF Managers regarding the Underlying IDFs' operations, historical performance and investment strategies. There is generally little publicly available information regarding the Underlying IDFs in which a Series invests. The Investment Manager will not have complete information regarding the Underlying IDF and there is no guarantee that the Investment Manager can obtain sufficient information from an Underlying IDF or its service provider to manage a Series' investment effectively.

***Exchange Traded Funds and Other Similar Instruments.*** Shares of exchange traded funds (**"ETFs"**) and other similar instruments may be purchased or sold short by an Underlying IDF. An ETF is an investment company that is registered under the Investment Company Act that holds a portfolio of common stocks designed to track the performance of a particular index.

An ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of stocks held. Because ETFs and pools that issue similar instruments bear various fees and expenses, a Series' investment in these instruments will involve certain indirect costs, as well as transaction costs, such as brokerage commissions. The Series considers the expenses associated with an investment in determining whether to invest in an ETF or other instrument. Managers of mutual funds and ETFs selected by a Series will generally be entitled to a fee based on net assets under management. Any such fees charged by a manager of a mutual fund or ETF in which a Series invests are in addition to the Management Fee, if applicable, and will reduce such Series' assets accordingly.

***Futures, Options and Derivative Instruments.*** A Series, indirectly through its investment in an Underlying IDF, may invest in certain futures contracts, including stock index futures contracts, futures contracts on government securities, interest rates, foreign currencies, precious metals, and energy products, and may trade options on such futures contracts, including purchasing call options, writing (selling) naked or covered call options, and purchasing or selling put options on such futures contracts. A Series, indirectly through its investment in an Underlying IDF, may also purchase or sell options on securities and securities indices. In addition, a Series, indirectly through its investment in an Underlying IDF, may enter into forward contracts, currency transactions, and various swap and swap-like arrangements.

Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, futures positions are marked to market each day and variation margin payment must be paid to or by a trader.

Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for such contracts. Although it is expected that an Underlying IDF will typically enter into futures contracts only if an active market exists for the contracts, no assurance can be given that an active market will exist for the contracts at any particular time. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, an Underlying IDF could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses.

In addition, the CFTC and various exchanges impose speculative position limits on the number of positions a person or group may hold or control in particular commodities. For purposes of complying with speculative position limits, an Underlying IDF's outright positions (i.e., those that are not bona fide hedge positions or spread positions specifically exempted from speculative limits) may be required to be

aggregated with positions of certain related persons or the Investment Manager or Investment Subadvisor and, as a result, an Underlying IDF may be unable to take positions in particular futures contracts or may be forced to liquidate positions in particular futures contracts.

When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the futures contracts and the underlying investment sought to be hedged may prevent a an Underlying IDF from achieving the intended hedging effect or expose such an Underlying IDF to the risk of loss.

Unlike trading on domestic futures exchanges, trading on foreign futures exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges. For example, some foreign exchanges are principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless an Underlying IDF hedges against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on foreign exchanges, any profits that such Underlying IDF might realize in trading could be eliminated by adverse changes in the exchange rate, or the Underlying IDF could incur losses as a result of those changes.

Use of other derivative instruments presents many of the same risks as those discussed above regarding futures contracts, including those risks relating to volatility, liquidity, hedging, and foreign trading.

Pursuant to an exemption issued by the CFTC, neither the General Partner nor the Investment Manager is required to register as a commodity pool operator (a **"CPO"**) or commodity trading advisor under the Commodity Exchange Act with respect to the Partnership and have filed a notice of claim effectuating exemption pursuant to CFTC Regulation 4.13(a)(3). As such, even though the Investment Manager is registered as a CPO, the Investment Manager intends to operate the Partnership pursuant to such exemption. To comply with the exemption, the Investment Manager is subject to specific limitations on the amount of commodities and futures the Partnership can trade. Should the Partnership's direct or indirect investments in commodities or futures instruments exceed the limits provided by the de minimis thresholds in CFTC Rule 4.13(a)(3)(ii), the Investment Manager will either have to operate the Partnership as a registered CPO or cease providing commodity interest trading advice to the Partnership and liquidate the Partnership's (direct or indirect) holdings of commodities and futures, which could result in losses and additional costs to the Partnership.

***Risks Associated with Investments in, and Custody of, Physical Gold and Other Precious Metals***. A Series, either directly or indirectly through its investment in Portfolio Funds, may enter into futures, forward, option, spot, swap or other contracts to buy or sell precious metals and may, from time to time, take or make physical delivery of precious metals under such contracts. There is a risk that some or all of the precious metals held by a custodian on behalf of a Series or Portfolio Fund could be lost, damaged or stolen. Access to the precious metals could also be restricted by natural events (such as an earthquake), human actions (such as a terrorist attack) or a pandemic (such as COVID-19). In addition, locating and obtaining precious metals could be subject to risks associated with the extraction of natural resources, such as fire and drought, and increased regulatory and environmental costs. As a result of such hazards and events, the Series or Portfolio Fund may be exposed to the risk that the counterparties that owe money or commodities will not perform their obligations. Should they fail to perform, the Series or Portfolio Fund may be required to honor the underlying commitment at then-current market prices, which may result in a loss for the Series or Portfolio Fund. In addition, some or all of a Series or Portfolio Fund's physical metals could be seized by one or more governments, including the United States government. The probability of confiscation increases when banking crises occur.

A Series or Portfolio Fund may not have adequate sources of recovery if its physical metals are lost, damaged, stolen or destroyed and recovery may be limited, even in the event of fraud, to the market value of the metals at the time the fraud is discovered. A Series or Portfolio Fund is not required to insure any of its precious metals. In addition, the insurance coverage of the custodians selected by the Investment Manager to store the physical gold or other precious metals may not be adequate or available. Furthermore, custodians

may not require any direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the metals held by them on behalf of a Series or Portfolio Fund. Consequently, a loss may be suffered with respect to a Series' or Portfolio Fund's metals which is not covered by insurance and for which no person may be held liable.

Claims against custodians under custody agreements (or sub-custodians thereunder) may only be asserted by the applicable Series or Portfolio Fund. The liability of custodians (and their sub-custodians) to a Series or Portfolio Fund is expected to be limited under any custody agreements between the Series or Portfolio Fund and the respective custodians. If a Series' or Portfolio Fund's physical metals are lost, damaged, stolen or destroyed under circumstances rendering a party liable to either the Series or the Portfolio Fund, the responsible party may not have the financial resources sufficient to satisfy the Series' or Portfolio Fund's claim.

Neither the Investment Manager nor any custodian is expected to be required to confirm the fineness of any physical gold or any other precious metals held by a Series or Portfolio Fund. Physical metals held by a Series or Portfolio Fund may be different from the reported fineness or weight required by the Series or Portfolio Fund or the markets in which they may trade physical metals. In such an event, the Series or Portfolio Fund may suffer significant losses.

***Volatility of the Price of Gold and Other Precious Metals***. As discussed above, a Series, either directly or indirectly through its investment in Portfolio Funds, may invest in gold or other precious metals. Many factors may affect the prices of various precious metals, including, without limitation: (i) global supply and demand, which is influenced by such factors as forward selling by precious metal producers, purchases made by precious metal producers to unwind hedge positions in precious metals, central bank purchases and sales and lending and production and cost levels in major gold- and other applicable metal-producing countries; (ii) global or regional political, economic, financial or health events, situations or crises, such as the global outbreak of COVID-19; (iii) investors' expectations with respect to the rate of inflation and global monetary and fiscal policies; (iv) currency exchange rates and interest rates; and (v) investment and trading activities of other pooled investment funds and commodity funds. In addition, the possibility of large-scale distress of precious metal prices in times of crisis may have a short-term negative impact on the price of precious metals and adversely affect a Series' direct or indirect investment in precious metals. Crises in the future may impair the price performance of gold and other precious metals, which would, in turn, adversely affect a Series' investment. Furthermore, substantial sales of gold or other applicable metals by the official sector could adversely affect a Series' investment. The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold precious metals as part of their reserve assets.

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

Stock or index options that may be purchased or sold by a Series, indirectly through an Underlying IDF, may include options not traded on a securities exchange. The risk of nonperformance by the obligor on such an option may be greater and the ease with which an Underlying IDF can dispose of or enter

into closing transactions with respect to such an option may be less than in the case of an exchange traded option.

***Short Sales.*** Investment strategies of certain Underlying IDFs may require such Underlying IDF to engage in short sale transactions. Short sales by an Underlying IDF that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. An Underlying IDF may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, an Underlying IDF might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Additionally, in response to the stock market decline related to COVID-19, several countries have restricted the ability to sell securities short either generally or in certain sectors. It is also possible that additional countries may implement such bans. These short selling restrictions may negatively impact the investment strategies of Series or Portfolio Funds involved in short sale transactions.

***Leverage.*** A Series and/or an Underlying IDF in which a Series invests, may choose to use leverage as part of its investment program. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss in the value of the investment portfolio. A Series and/or an Underlying IDF in which a Series invests may borrow money from time to time to purchase or carry securities. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried, and will be lost in the event of a decline in the market value of such securities. Gains realized with borrowed funds may cause the Series' and/or an Underlying IDF's net asset value to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the cost of borrowings, the Series' or the Underlying IDF's net asset value could also decrease faster than if there had been no borrowings.

The use of short-term margin borrowings subjects an investment portfolio to additional risks, including the possibility of a "margin call," pursuant to which the Series, indirectly through the Underlying IDF in which it invests, must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in the value of the Underlying IDF's assets, the Underlying IDF might not be able to liquidate assets quickly enough to pay off its margin debt. This could result in the forced liquidation of assets of the Underlying IDF at substantially depressed prices. Such might also occur during a period where there is an overall decline in the securities market which might reduce overall liquidity in such market and thus further accelerate a decline in the sales price of assets of the Underlying IDF, and thus of the applicable Series.

***Hedging Transactions.*** A Series, indirectly through its investment in Underlying IDFs, may utilize financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currency exchange rates and market interest rates. A Series, indirectly through its investment in Underlying IDFs, may also engage in hedging transactions. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Underlying IDF to hedge against an exchange rate, interest rate or security price fluctuation that is so generally anticipated by the market that such Underlying IDF is not able to enter into hedging transactions at a price sufficient to protect the Series' assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

The success of any of the Underlying IDF's hedging transactions is subject to each Underlying IDF's ability to correctly predict movements in the direction of currency and interest rates. Therefore, while an Underlying IDF may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency or interest rates may result in a poorer overall performance for such Underlying IDF than if it had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, an Underlying IDF may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent an Underlying IDF from achieving the intended hedge or expose it, and thus, the Series, to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Underlying IDF's portfolio holdings.

***Foreign Securities.*** Certain Series, indirectly through their investment in Underlying IDFs, may invest a portion of their assets in foreign securities. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than in the United States. Foreign securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in foreign countries could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

***Currency Risks.*** A Series' investments, indirectly through its investment in Underlying IDFs that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Underlying IDFs may try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be undertaken, and if undertaken will be effective.

***Fixed-Income Securities.*** A Series may invest, indirectly through its investment in an Underlying IDF, in fixed-income securities. The value of these securities may fall as interest rates rise. In addition, these securities are subject to the credit risk and default risk that the issuer of the fixed-income security will be unable to make principal and interest payments when due.

***Turnover.*** A Series will allocate its assets to an Underlying IDF which may invest on the basis of short-term market considerations. The portfolio turnover rate of such Underlying IDF may be significant, potentially involving substantial brokerage commissions and fees. None of the General Partner or the Investment Manager will receive a portion of such commissions and fees.

***Counterparty Creditworthiness.*** In addition to the exchange-traded options contracts, a Series, indirectly through its investment in an Underlying IDF, may also invest in the over-the-counter market in contracts which involve dealing with counterparties and their ability to meet the terms of the contracts. In particular, a Series, indirectly, may enter into repurchase agreements, forward contracts and swap arrangements,

each of which expose such Series, indirectly, to credit risk to the extent that the counterparty defaults on its obligations to perform under the relevant contract.

***Bankruptcy Proceedings, Class Actions and Other Litigation Matters.*** The Investment Manager disclaims responsibility to monitor the pendency of bankruptcy proceedings, class actions or other litigation matters which are unlikely to have a material bearing upon the financial position of any Series. To the extent, however, that the Investment Manager becomes aware of any such proceeding, action or other litigation matter which, in the Investment Manager's reasonable judgment, may have such a bearing upon the financial position of a Series, the Investment Manager will expend reasonable efforts to monitor the pendency of the matter, and will endeavor to take steps to ensure that the Series timely files whatever proofs of claim, settlement elections or other submissions are required in order to reasonably protect the interests of affected Series security holders in the matter. All fees of attorneys or other third party service providers, as well as other reasonable out-of-pocket expenses incurred in this connection will be borne by the affected Series.

***Prime Broker and Custody.*** There is the possibility that brokerage firms and/or banking institutions at which a Series or the Underlying IDF maintains custody of its assets may encounter financial difficulties including bankruptcy and/or insolvency. A Series or an Underlying IDF may therefore have potential exposure to losses as a result of such an institution's financial difficulties. There can be no assurances as to what effect such a brokerage firm's or banking institution's failure would have on a Series' assets. A Series or an Underlying IDF will rank as an unsecured creditor to its prime brokers in relation to assets that such prime brokers borrow, lends or otherwise uses and, in the event of the insolvency of a prime broker, a Series or an Underlying IDF may not be able to recover equivalent assets in full or in part. In addition, if applicable law permits, cash that the prime brokers hold or receive on a Series' or an Underlying IDF's behalf may not be treated by the prime brokers as client money, may not be segregated from the prime brokers' own cash and may be used by the prime brokers in the course of their investment business. In such event, a Series or an Underlying IDF will rank as one of the prime brokers' general creditors.

Prime brokers and custodians have no duty to monitor compliance with any representation made in the offering documents, including those related to the diversification requirements in Section 817(h) of the Code.

***Indemnification.*** The Partnership will generally be required to indemnify the General Partner, the Investment Manager, their respective affiliates and principals, members, shareholders, partners, officers, directors and employees for liabilities incurred in connection with the affairs of the Partnership. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Partnership would be payable from the assets of the applicable Series.

***Cybersecurity Considerations.*** The Investment Manager's, Portfolio Fund Managers' and Portfolio Funds' information and technology systems and the information and technology systems of their service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, usage errors by their respective professionals, power outages, catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, and cyber-attacks or other technological malfunctions. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization and causing operational disruption. Cyber-attacks may interfere with the processing of transactions, cause the release of private investor information, impede trading, cause reputational damage, and subject the Investment Manager, the Partnership, a Portfolio Fund Manager and/or a Portfolio Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs and additional compliance costs. Although the Investment Manager has implemented, and the Portfolio Fund Managers and the Portfolio Funds may implement, various measures to manage risks relating to these types of events, there are inherent limitations in such systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. If these systems are compromised, become inoperable for

extended periods of time or cease to function properly, the Investment Manager, the Partnership, Portfolio Fund Manager and/or a Portfolio Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's, the Partnership's, a Portfolio Fund Manager's and/or a Portfolio Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Investment Manager's, the Partnership's, a Portfolio Fund Manager's and/or a Portfolio Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

***Data Privacy Legislation***. The Investment Manager, the General Partner, the Partnership and the Series are subject to various laws and regulations related to privacy and data protection. For example, numerous U.S. states, including the State of California, have adopted or are considering state privacy and data protection laws. Future jurisdictions may adopt additional laws and regulations the scope and terms of which is not currently clear. Several of these laws and regulations contain substantial financial penalties or the potential for substantial liabilities for violations of them even if such violations are unintentional or inadvertent. Thus, the Partnership or any Series may incur substantial liabilities if it, the General Partner or the Investment Manager is determined to have breached a data protection law or regulation. Even though the Partnership and the Series will endeavor to comply with such laws and regulations, many of them are new and interpretations of some of their provisions are not yet clear. In addition, a number of the laws and regulations contain subjective elements which could allow a regulator or third party to challenge the Partnership's or a Series' compliance efforts and determinations even if they were made in good faith.

***Political and Economic Conditions.*** The Underlying IDFs' investments may be adversely affected by changes in economic conditions or political events that are beyond their control. For example, a stock market break, continued threats of terrorism, the outbreak of hostilities involving the U.S., or the death of a major political figure may have significant adverse effects on general economic conditions, market conditions, market liquidity and Underlying IDF's investment results. As another example, there may be material changes to the financial or regulatory environment as a result of recent or upcoming U.S. federal or state elections. As a further example, a serious pandemic, such as COVID-19, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets. The outbreak of COVID-19 is a global health crisis that is, and is expected to continue, adversely affecting general commercial activity and the economies and financial markets of many countries, including the U.S. economy and financial markets. Other factors, such as changes in U.S. federal or state tax laws, U.S. federal or state securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the SEC, the U.S. Federal Reserve Board, FINRA or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Underlying IDF less attractive. A negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility and cause credit spreads to widen, each of which could have an adverse effect on the investment performance of an Underlying IDF.

***Changes in the Law.*** Amendments to banking, lending, investment and other relevant laws and regulations could alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation or the availability of investment opportunities. In addition, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the investment industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the United States Congress and the Securities and Exchange Commission, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to a Portfolio Fund, the markets in which it trades and invests, or the counterparties with which it does business may be instituted in the future. Any such regulations could have a material adverse impact on the regulatory environment for private investment funds.

***Systemic Risk.*** World events, such as the global outbreak of COVID-19, the activities of one or more large participants in the financial markets, or other events could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a Series losing substantial value caused predominantly by liquidity and counterparty issues (as noted above) which could result in an Underlying IDF in which a Series invests incurring substantial losses.

***Equity Securities Generally.*** The Series, indirectly through its investment in an Underlying IDF, may engage in trading equity securities. Market prices of equity securities generally, and of certain companies' equity securities more particularly, frequently are subject to greater volatility than prices of fixed income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and they may do so again in the future.

***Cash and Cash Equivalents.*** From time to time, a Series may invest a portion of its assets in money market securities, cash, or cash equivalents in response to adverse market, economic, political or other conditions. This may subject such Series to amplified exposure in preexisting areas of risk, including but not limited to risks associated with inflation, interest rates, and currency rates, among others. Moreover, investing in money market securities, cash and cash equivalents may be inconsistent with a Series' investment objective and principal investment strategies and therefore any such Series may not be able to achieve its stated investment objective.

***Competition.*** There is currently, and will likely be, competition for investment opportunities by investment vehicles and others with investment objectives and strategies identical or similar to a Series' investment objectives and strategies. Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to a Series and a greater ability to achieve synergistic cost savings in respect of an investment than a Series. This may reduce the number of investment opportunities available to a Series and adversely affect the terms, including pricing, upon which such Series' investments can be made.

***Brexit – Changes to the European Union.*** On January 31, 2020, the United Kingdom (the **"UK"**) withdrew as a member of the European Union (the **"EU"**) and a party to the Treaty on European Union and its successor treaties (**"Brexit"**). On December 24, 2020, the UK and the EU reached a Trade and Cooperation Agreement (together with relevant annexes and ancillary agreements, the **"Trade Agreement"**) which took effect at 11:00 p.m. GMT on December 31, 2020. The Trade Agreement is not exhaustive and, apart from some limited exceptions, does not include arrangements with respect to financial services. The UK and the EU have therefore agreed to continue additional negotiations with respect to financial services, but uncertainty remains regarding whether the UK and EU will conclude agreements establishing relevant legal bases for the cross-border provision of financial services, and/or whether legal "equivalence" decisions will be issued. The UK Financial Conduct Authority published a number of onshoring instruments, Temporary Transitional Power directions and related guidance that apply to the UK following Brexit directing that, until March 31, 2022, firms must either comply with regulatory obligations that applied to them before 11:00 p.m. GMT on December 31, 2020, or with the onshored regulatory obligations.

The outcome of the referendum has caused significant uncertainty and may cause disruption, in particular, with regards to the functioning of European markets, including the ease, cost, ability and willingness of persons to trade and invest within Europe, the scope and functioning of European legal and regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), the nature and scope of the regulation of the provision of financial services within, and to, persons in Europe and the nature and scope of industrial, trade, immigration, and other governmental policy pursued within Europe. These effects may persist for some time.

Brexit may have other consequences, including a recession of the UK economy, down-grading of the UK's credit rating, and an increased likelihood of pro-independence movements in Scotland and other parts of the UK taking steps to secede from the UK. The volatility and uncertainty caused by Brexit may adversely affect the value of a Series' investment in the Portfolio Funds or investments made directly into securities.

***LIBOR and Other Benchmark Interest Rates.*** Due in part to evidence of the manipulation of the London Interbank Offered Rate (**"LIBOR"**) by investment banks, the ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings after December 31, 2021 and is scheduled to discontinue the remainder of the U.S. Dollar LIBOR settings by the end of June 2023. Effective January 1, 2022, LIBOR could no longer be used as a reference rate in new debt issued by U.S. banks or in derivatives contracts. While certain markets have transitioned away from LIBOR more proactively, other markets, such as the futures market based on the U.S. Dollar LIBOR, have reacted to LIBOR's impending demise more slowly.

The transition from LIBOR to other offered rates, benchmarks or indexes (collectively, **"Benchmark Rates"**) is complex and could have a material adverse effect on the Fund's investment portfolio and profits. To the extent the Fund enters into or acquires any new or legacy contracts tied to LIBOR, such contracts should contemplate (or be amended to contemplate) the phase-out of LIBOR and the substitution of a risk-free rate with a spread adjustment, concepts which involve some complicated drafting. If such a contract requires amendment, there is a risk that the parties will not reach an agreement prior to the cessation of LIBOR or that the counterparty may seek to renegotiate other unrelated terms in the contract while it is open for amendment. Although affected U.S. markets generally appear to have accepted the Secured Overnight Financing Rate (**"SOFR"**) as the replacement for the U.S. Dollar LIBOR settings, the American Financial Exchange and Bloomberg have both offered up alternative rates—the American Interbank Offered Rate and the Short-Term Bank Yield Index, respectively—which could disrupt or surpass market acceptance of SOFR. There can be no assurance that the Investment Manager will navigate this Benchmark Rate transition in a profitable manner. Finally, regulatory intervention with respect to a Benchmark Rate may result in changes to its calculation methodology or in market uncertainty as to the continued acceptance of such rate.

***Inflation***. In response to recent economic events, including the global financial crisis and the current COVID-19 global pandemic, countries around the world have significantly loosened monetary policy and injected trillions of dollars into the economy in an effort to prevent more severe economic turbulence. This unprecedented amount of government funding and support may give rise to significant increases in government spending and (in many instances) significant increases to the amount of debt issued by governments in the international bond markets. In addition, the United States and other countries have experienced, and may in the future experience, supply chain disruptions for a number of goods in the marketplace. This potential disruption in supply of goods, combined with unprecedented levels of such government spending and monetary policy, may materially increase inflation of the U.S. dollar and other currencies in the coming years. 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. For example, if an investment is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Investments may have revenues linked to some extent to inflation, including without limitation, by government regulations and contractual arrangement. As inflation rises, an investment may earn more revenue but may incur higher expenses. As inflation declines, an investment 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. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Partnership's or a Series' returns.

***Digital Assets***. 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, and prices have been

extremely volatile. Digital Asset exchanges have been closed due to fraud, failure or security breaches. Any of a Portfolio Fund's funds that reside on an exchange that shuts down may be lost.

Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, overall market sentiment or future regulatory measures that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. 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.

Digital Assets are created, issued, transmitted, and stored according to protocols run by computers in the Digital Asset network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by Portfolio Funds. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by Portfolio Funds. Some assets held by Portfolio Funds may be created, issued, or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by Portfolio Funds. Portfolio Funds will not guarantees the reliability of the cryptography used to create, issue, or transmit Digital Assets held by Portfolio Funds.

***Digital Asset Trading is Volatile and Speculative***. Digital Assets represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as means of payment for goods and services by major retail and commercial outlets. Conversely, 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. A lack of expansion by Digital Assets into retail and commercial markets, or a contraction of such use, may result in increased volatility.

***Custody of Portfolio Funds' Digital Assets***. Portfolio Funds or their respective Portfolio Fund Managers will be responsible for arranging for custody of the Portfolio Funds' Digital Assets, including by storage in one or more "cold wallets" or on various Digital Asset exchanges. Digital Asset exchanges may require Portfolio Funds or their respective Portfolio Fund Managers to provide control of applicable private keys when such exchanges are utilized by a Portfolio Fund. The Investment Manager expects Portfolio Fund Managers to take such steps as they determine are necessary to maintain access to these keys and to prevent their exposure to hacking, malware and general security threats, but there can be no assurance that such steps will be adequate to protect such keys or a Portfolio Fund's Digital Assets from such threats or that there will be no failure or penetration of the applicable security systems. There also can be no assurance that, to the extent Portfolio Funds utilize third-party custodial services, such third parties maintain required certifications with the Securities and Exchange Commission or other regulatory agencies, the loss of which could cause such custodians to not be deemed qualified custodians by various regulatory agencies.

***Risk of Loss of Private Keys***. Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and any such private key would not be capable of being restored by a Portfolio Fund. Any loss of private keys relating to digital wallets used to store a Portfolio Fund's Digital Assets could result in the loss of such Digital Assets, and a Portfolio Fund could incur substantial, or even total, loss of capital.

***Digital Asset Exchanges***. The Digital Asset exchanges on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. In general, Digital Asset exchanges are currently start-up businesses with no institutional backing, limited operating history and no publicly available financial information.

Exchanges generally require cash to be deposited in advance to purchase Digital Assets, and no assurance can be given that those deposited funds can be recovered.

Additionally, upon sale of Digital Assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account. Portfolio Funds will take credit risk of an exchange every time it transacts.

Digital Asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of Digital Assets for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on Digital Asset exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of Digital Assets remain subject to any volatility experienced by Digital Asset exchanges, and any such volatility can adversely affect an investment in Portfolio Funds.

Digital Asset exchanges are appealing targets for cybercrime, hackers and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations due to theft, fraud, security breach, liquidity issues, or government investigation In addition, banks may refuse to process wire transfers to or from exchanges.

Any financial, security or operational difficulties experienced by such exchanges may result in an inability of Portfolio Funds to recover money or Digital Assets being held by the exchange, or to pay investors upon redemption. Further, Portfolio Funds may be unable to recover Digital Assets awaiting transmission into or out of Portfolio Funds, all of which could adversely affect an investment in Portfolio Funds. Additionally, to the extent that the Digital Asset exchanges representing a substantial portion of the volume in Digital Asset trading are involved in fraud or experience security failures or other operational issues, such Digital Asset exchanges' failures may result in loss or less favorable prices of Digital Assets, or may adversely affect Portfolio Funds, their operations and investments.

***Third Party Wallet Providers***. Portfolio Funds may use third party wallet providers to hold a portion of a Portfolio Fund's Digital Assets. Portfolio Funds may have a high concentration of its Digital Assets in one location or with one third party wallet provider, which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware, or cyber-attacks. Portfolio Funds are not required to maintain a minimum number of wallet providers to hold Portfolio Funds' Digital Assets. Portfolio Funds may not perform detailed diligence on such third-party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third-party wallet providers may not indemnify Portfolio Funds against any losses of Digital Assets. Digital Assets held by third parties could be transferred into "cold storage" or "deep storage," in which case there could be a delay in retrieving such Digital Assets. Portfolio Funds may also incur costs related to third party storage. Any security breach, incurred cost or loss of Digital Assets associated with the use of a third-party wallet provider may adversely affect Portfolio Funds. A Portfolio Fund's ability to invest in a particular cryptocurrency may be impacted by the types of cryptocurrencies accepted by third party wallet providers that are qualified custodians. In addition, a number of the risks applicable to Portfolio Funds are also applicable to third party wallet providers, including without limitation those discussed above in "Custody of Portfolio Funds' Digital Assets" and "Risk of Loss of Private Keys."

***Uncertain Regulatory Environment for Digital Assets***. In addition to the regulatory risks noted above, the overall regulatory environment for Digital Assets remains uncertain. U.S. federal agencies have asserted whole or partial regulatory authority over Digital Assets, including, but not limited to, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Federal Trade Commission and the Financial Crimes Enforcement Network. Whether and to what extent Digital Assets will be regulated by any existing federal agencies or by new legislation passed by the U.S. Congress is unknown and the effect on the

market value of Digital Assets overall is unknown. State regulatory agencies may also create their own set of regulations of Digital Assets, which might further negatively impact the value of Digital Assets. Regulatory activity in any of these areas may restrict the ability of Portfolio Funds both to make investments in Digital Assets and to realize the value of any investments by restricting the conversion of any such value into U.S. dollar-based assets.

***In-Kind Distributions of Digital Assets***. There is a risk that a Portfolio Fund holding Digital Assets could make in-kind distributions of Digital Assets to the relevant Series, in which case the relevant Series would directly hold Digital Assets and the risks applicable to Portfolio Funds discussed above in "Digital Assets," "Digital Asset Trading is Volatile and Speculative," "Custody of Portfolio Funds' Digital Assets," "Risk of Loss of Private Keys," "Digital Asset Exchanges," "Third Party Wallet Providers," and "Uncertain Regulatory Environment for Digital Assets" and discussed below in "Digital Assets Tax Risk" will also be applicable to the relevant Series. In addition, in the event of an in-kind distribution of Digital Assets from a Portfolio Fund to the relevant Series, and as a registered investment adviser, the Investment Manager would hope to utilize third-party custodians for the relevant Series' Digital Assets. However, qualified third-party custodians that satisfy this requirement for certain Digital Assets may not be available, in which case the relevant Series may be required to self-custody Digital Assets. There can be no assurance that self-custody will adequately protect the security of such Digital Assets, exposing the Series to up to the complete loss of a Digital Asset owing to a security breach or other failure of the self-custody procedures. In addition, regulators may not agree with the relevant Series' decision to self-custody a Digital Asset, resulting in the possibility of sanctions, fines or other regulatory reparations imposed on the Series, the Investment Manager, the General Partner, or any of their respective affiliates by the Securities and Exchange Commission.

**Tax Related Risks**

***Diversification.*** Policy Owners should understand the risk that the tax benefits of their Policies may not be available in the event that the methodology used by a Series or the Underlying IDF does not satisfy the diversification rules as described in Section VI, "Tax Considerations" of this Memorandum, including the risk that if a Series or the Underlying IDF fails to meet the diversification rules, owners of Policies funded by a Separate Account that is treated as holding interests in the Series would be subject to current taxation on the annual earnings of the Separate Account.

***Investor Control.*** In certain circumstances, the owner of a variable life insurance or annuity contract invested in a Separate Account may be considered the owner, for U.S. federal income tax purposes, of the assets of the Separate Account that fund the variable contract under an "investor control" theory. Each Policy Owner should consult his or her own tax advisers regarding the "investor control" theory and the particular tax risks, if any, posed by the Policy Owner's selection of the Series as an investment option under the related Policy.

Policy Owners have no right to communicate with or direct the investment policies or decisions of the General Partner, any administrator, or Investment Manager relating in any way to a Series. For purposes of this Memorandum, the term Policy Owner includes: (i) any trustees of a Policy Owner; (ii) any Policy beneficiaries; (iii) any affiliated person (as this term is defined in Section 2(a)(3) of the Investment Company Act) of the foregoing persons; (iv) the person(s) insured under the variable contract, or (v) any person that represents the Policy Owner. There is not, nor shall there be, a prearranged plan among the General Partner, any administrator, or Investment Manager and any Policy Owner relating to the investments of the Partnership.

None of the General Partner, the Partnership, or the Investment Manager will be held responsible to any Limited Partner or Policy Owner for any loss, damage, liability or expense resulting from a violation of the "investor control" theory to the extent such violation is attributable to conduct of such Policy Owner.

None of the General Partner, the Partnership or the Investment Manager will accept investment recommendations or make any investment decisions regarding the direct or indirect investment of the Partnership's assets based, in whole or in part, on information regarding any investment or group of investments received from any Limited Partner or from any Policy Owner.

***Possible Tax Law Changes.*** No assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Memorandum. The tax consequences to a Limited Partner of an investment in the Partnership are uncertain. Neither the General Partner nor the Investment Manager makes any representations or warranties regarding any tax matters. Prospective investors are urged to consult their own tax advisors regarding the U.S. federal, state and local and non-U.S. tax consequences to them arising from an investment in the Partnership, and should rely on the advice of their own tax advisors with respect to the possible impact on its investment in the Partnership of any future legislation or administrative or judicial action.

***Risk of Tax Audit.*** Pursuant to the U.S. Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules (**"BBA"**), the Internal Revenue Service (the **"Service"**) is generally. permitted to determine adjustments to items of income, gain, deduction, loss or credit of each Series of the Partnership, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Series level. Although certain elections or other procedures may be available to mitigate the impact of such determination, assessment or collection, there can be no assurances that a Series will avoid, or be able to avoid, any entity-level determination, assessment or collection. In addition, any such elections or procedures may have differing results on the tax liability of Limited Partners depending on the tax status of each Limited Partner, and the Series may not be able to take into account the particular facts or circumstances of a Limited Partner. A Limited Partner may be required to bear a share of the economic burden of taxes so assessed or collected without regard to whether such person was a Limited Partner, or without regard to his relative ownership interest, during the taxable year of the Series to which such taxes relate. Each partnership required to file, or that files, a U.S. income tax return, must designate a representative under the BBA (such representative, working together with any designated individual thereof acting in such capacity, the **"Partnership Representative"**) with the sole authority to act on behalf of, and to bind, the partnership, the limited partners, and any other person whose tax liability is determined by taking into account adjustments under the BBA. Limitations on the authority of the Partnership Representative in the Partnership Agreement or in any other agreement will not be binding during examinations upon audit or any other proceedings. In addition, Limited Partners will not be able to participate in any such examinations or proceedings without permission of the Service. Limited Partners should note that the BBA regime is complex and that the impact on any current or future allocations made or cash available for distributions or withdrawals by the Series is uncertain. The Series may also be exposed to the risk that these rules apply to any Portfolio Fund or any entity treated as a partnership for U.S. federal income tax purposes in which the Series directly or indirectly invests. The legal and accounting costs incurred in connection with any audit of the Series will be borne by the Series. The cost of any audit of any Limited Partner will be borne solely by the Limited Partner. Prospective Limited Partners should consult their own tax advisors in this regard.

***Policy Owners.*** For a variable life insurance or annuity contract to qualify for the favorable U.S. tax treatment afforded such investments, the assets in the separate account of the insurer underlying such contract must be treated for U.S. federal income tax purposes as owned by the insurance company or annuity company and not by the Policy Owner. A number of rulings have been issued by the Service discussing control over investments within the separate account of variable contracts. The Service has ruled that certain incidents of ownership or control by the Policy Owner, such as the ability to select and control specific investments in a separate account, may cause the Policy Owner to be treated as the direct owner of the underlying separate account assets for U.S. federal income tax purposes. If a Policy Owner were deemed to own an Interest in the Partnership, the income and gains of the portfolios attributable to the separate account would be included in the Policy Owner's gross income on a current basis. It is intended that the Partnership will be structured and operated in such a manner so as to maintain its independence from the Policy Owners. A Policy Owner should avoid contact or communication with the Investment Manager that could be construed as an attempt by such

Policy Owner to select or recommend particular investments to be made on behalf of a Series. A failure to do so could have adverse effects upon the Policy Owner, its Policy and the Partnership or another Policy Owner.

***Recently Enacted Tax Reform Legislation***. Recently enacted U.S. tax reform legislation makes significant changes to the rules potentially applicable to the Partnership, each Series and/or their investors. Certain of these new rules are complex and, pending guidance that may be forthcoming, the impact on the Partnership and each Series and its investors may be unclear. Prospective investors should consult their own tax advisors regarding potential changes in any tax laws, potentially with retroactive effect.

***Tax Considerations Taken into Account***. The General Partner may take tax considerations into account in determining when the Partnership's investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

***Delayed Schedules K-1***. The Partnership will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. However, the Partnership may be unable to provide final Schedules K-1 to Limited Partners for any given tax year until significantly after April 15 of the following year. The General Partner will endeavor to provide Limited Partners with estimates of the taxable income or loss allocated to their investment in the Partnership on or before such date, but final Schedules K-1 may not be available until completion of the Partnership's annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels.

***Digital Assets Tax Risk***. There is substantial uncertainty regarding the tax treatment of Digital Assets. As such, Portfolio Funds may take certain tax positions that may ultimately be treated differently in the course of an audit by the Service, or the regulations promulgated by the Service may change over time. As a result, Portfolio Funds may be subject to adverse tax consequences associated with investments in Digital Assets.

***The foregoing is not intended to be an exhaustive analysis or listing of the tax risks associated with an investment in the Partnership. Many of the relevant tax considerations will vary depending on a prospective Limited Partner's individual circumstances. The tax aspects associated with such an investment are complex and complicated and are subject to a variety of interpretations. Prospective investors are strongly urged to review the discussions below under Section VI, "Tax Considerations" and Section VII, "ERISA Considerations" for a more complete discussion of certain of the tax risks inherent in the acquisition of Interests, and to seek and rely upon the advice of their own tax advisor who is qualified to discuss the foregoing and other possible tax risks.***

**Potential Conflicts of Interest**

A Series is subject to potentially significant conflicts of interest. The following does not purport to be a comprehensive summary of all of the conflicts of interest associated with an investment in a Series. Accordingly, the following are only certain conflicts of interest a Series is subject to which the General Partner and the Investment Manager wish to encourage prospective investors to discuss in detail with their professional advisors.

***Activities of the General Partner, Investment Manager and Affiliates.*** The Investment Manager is not obligated to devote any specific amount of time to the affairs of the Partnership or any Series, and is not required to accord exclusivity or priority to the Partnership or any Series in the event of limited investment opportunities arising from the application of speculative position limits or other factors. The General Partner and the Investment Manager will devote as much time to the investment and other activities of the Partnership or any Series as each determines to be necessary for the operation of the Partnership or that Series. The General Partner, the Investment Manager, their respective affiliates, principals, and employees presently, and in the future expect

to, direct, sponsor or manage other investment partnerships, managed pools or accounts in addition to the Partnership and engage in other business activities and are not required to refrain from any other activity nor disgorge any profits from any such activity. With respect to such other managed pools or accounts, (i) the General Partner and the Investment Manager may have financial or other incentives to favor certain of such pools or accounts over the Partnership, (ii) they may have investment objectives which are the same as, similar to or different from those of the Partnership and (iii) the portfolios thereof may differ as a result of many factors, including different strategies, availability of capital and tax considerations affecting each pool or account. The General Partner and the Investment Manager will make decisions for a Series, which decisions may differ from time to time from those recommended by the General Partner, the Investment Manager or their respective affiliates for another Series or for their other advisory clients.

The General Partner, the Investment Manager, their affiliates, principals and employees presently, and in the future expect to, engage or participate in activities or ventures other than the Partnership, whether or not of the same nature as the Partnership. No Limited Partner shall be entitled to any profits or other interest that the General Partner, the Investment Manager, any of their affiliates, principals or employees shall derive from or have in any such activities or ventures, whether or not such businesses or ventures are of the same nature as, and/or compete with the Partnership. The General Partner, the Investment Manager, their affiliates, principals and employees are not prohibited from buying or selling securities for their own account, including securities that are the same as those held by a Series itself or through an Underlying IDF; however they are prohibited from trading directly or indirectly with any Series without the express written prior approval of the Limited Partners of that Series.

The Partnership depends on the General Partner for the operation of the Partnership and on the Investment Manager for investing a Series' assets. The General Partner and the Investment Manager believe that they will continue to have sufficient staff personnel and resources to perform all of their duties with respect to the Partnership. However, because the General Partner and the Investment Manager and their affiliates are expected to have duties in connection with other investment funds and other matters, such parties may have conflicts of interest in the allocation of responsibilities, services and functions among the Partnership and other similar entities that may be organized.

***Ancillary Services***. The General Partner has elected to have accounting and audit-related Ancillary Services provided by employees of the Investment Manager; the General Partner believes such arrangements provide the Partnership or a Series with such accounting and audit-related services more effectively and at a better value to Limited Partners than would otherwise be achieved through third-party providers charging market rates for such services. The amount reimbursed to the Investment Manager for the provision of accounting and audit-related Ancillary Services will vary between Series, depending upon the seniority of employees assigned by the Investment Manager to such Series, since that will impact hourly chargeback rates, and the number of employee hours used to perform such services. While the Investment Manager undertakes commercially reasonable efforts to determine applicable market rates on an annual basis, there is no guarantee that such services could not be obtained from a third party at a reduced cost. The Investment Manager charges for the actual operating and overhead costs of such employees and causes such employees to track their time while working for the Partnership or a Series (and other investment vehicles advised or managed by the Investment Manager and its affiliates); a copy of the Investment Manager's policy and procedures with respect to Ancillary Services is available upon request. Notwithstanding the foregoing, the General Partner may, in its sole discretion, absorb any or all of such Ancillary Services expenses incurred on behalf of the Partnership or a Series or have an Affiliate of the General Partner or an Investment Subadvisor absorb such expenses on behalf of the Partnership or Series. Any payments received by the Investment Manager or any of its affiliates for Ancillary Services will not offset the Management Fee, the Incentive Fee, or any other fee otherwise owed to the General Partner or the Investment Manager.

***Dual Management Fees and Expenses.*** The Investment Manager expects to invest a Series' capital in Underlying SALI IDFs that are managed by the Investment Manager or its affiliates or an

Underlying IDF that is managed by a third party. The Investment Manager and its affiliates may not waive, reduce or rebate any management fees with respect to a Series' investment in such Underlying SALI IDF, and, therefore, the Investment Manager and its affiliates may receive dual management fees with respect to Limited Partners in such Series. Certain Underlying IDFs may accept direct investments from Eligible Investors. Because investors investing directly in an Underlying IDF would not be subject to dual management fees, as well as multiple levels of expenses, such investors will have a greater return on investment than investors investing through a Series.

***Affiliates of the General Partner and the Investment Manager.*** Certain beneficial owners of the General Partner and the Investment Manager, or its affiliates, are members of Winged Keel Group, an insurance and investment company. The owners of the Winged Keel Group have a substantial ownership interest in the General Partner and the Investment Manager. Such members may be compensated by selling products through that affiliation. Winged Keel Group which provides financial security management services for institutions, affluent individuals, and families, is a member of M Financial Group, a unique nationwide network of select independent insurance, investment, and executive benefit firms dedicated exclusively to serving wealthy individuals and families, as well as corporations and privately owned businesses. Members may also be associated with M Holdings Securities, Inc., a registered broker-dealer. In the capacity as registered personnel of M Holdings Securities, Inc., such members offer variable life insurance and annuities, mutual funds and general securities products to clients of Winged Keel Group. The affiliation of Winged Keel Group, the General Partner, and the Investment Manager might be viewed as creating incentives for Winged Keel Group to influence recommendations that result in the assets of policies being invested in insurance-dedicated funds that the General Partner and Investment Manager make available.

***JTC PLC and Affiliates.*** On November 12, 2021, the Investment Manager, the General Partner and their affiliates were acquired by JTC USA Holdings, Inc. (**"JTC USA"**) and each became a wholly-owned subsidiary of JTC PLC (**"JTC"** and together with JTC USA and their affiliates, the **"JTC Group"**). JTC is a Jersey, Channel Islands-based global professional services company listed on the London Stock Exchange (LON:JTC) and a member of the FTSE250. JTC Group entities provide a wide range of services to fund, corporate and private clients globally, through offices in over 20 jurisdictions. Services provided by JTC Group entities includes trustee, fund and company administration, corporate director, company secretarial, custody, depositary, accounting, investment management and other financial services.

The JTC Group and its affiliates may have significant economic and business interests and objectives that differ from, or conflict with, those of the Partnership, each Series and/or other accounts managed by the Investment Manager, the General Partner and/or their affiliates. In situations where these interests are not aligned, the General Partner, the Investment Manager and their employees may face a conflict of interest when any of them acts or fails to act. Such conflicts of interest may arise from the economic and business activities conducted by JTC Group companies for their own accounts, or with economic and business activities conducted by JTC Group companies for the account of their clients.

JTC Group conducts its business in a manner that is consistent with its reputation, conducive to maintaining high standards of integrity in all its business dealings, whilst having the highest regard for the interests of all clients. JTC Group is committed to complying in full with all legal, regulatory and other requirements in whichever jurisdiction it operates, adopting best practice wherever possible and will manage all conflicts fairly both between itself and its clients and between one client and another. JTC operates internal procedures to regulate the processes and restrict the flow of information among, and within, business units so that activities are carried out with the appropriate level of independence. Where conflicts of interest are identified within the JTC Group they will be assessed and managed in accordance with the JTC Group's Conflict of Interest Policy and Procedures and applicable law. For additional information on the JTC Group, please visit www.jtcgroup.com.

All employees of the Investment Manager and its affiliated entities are beneficiaries of an employee benefits trust established by the JTC Group (the **"EBT"**). While the financial value of the EBT may fluctuate as a result of a number of factors (including general market conditions) and the value to be received by any particular employee is not guaranteed, the aggregate value of the EBT generally correlates to the financial performance of the JTC Group and the price of JTC shares. Certain employees and officers of the Investment Manager are currently shareholders of JTC and other employees may in the future become shareholders of JTC through employee share purchase programs, the award of equity-based compensation or otherwise. The terms of JTC's acquisition of the Investment Manager, the General Partner and their affiliates also included deferred payment terms which will be determined by reference to incremental revenues to the JTC Group and Group Service Providers generated from accounts managed by the Investment Manager. As a result of these factors, the General Partner and the Investment Manager and its employees have a financial incentive to refer business by the Partnership and each Series to Affiliated Services Providers, as further described below, to improve the financial performance of the JTC Group and the price of JTC Shares and to increase revenue to the JTC Group.

Firms or companies within the JTC Group provide services to the Partnership and/or certain Series in exchange for fees or other compensation (such service providers, "**Group Service Providers**"). Group Service Providers are affiliates of the General Partner and the Investment Manager. JTC Group has in the past, and may in the future, make acquisitions of additional Group Service Providers. Additionally, the General Partner and/or the Investment Manager may cause the Partnership or a Series to engage a Group Service Provider. Neither the General Partner nor the Investment Manager will participate in the day-to-day operations or management of a Group Service Provider, and any engagement of a Group Service Provider by the Partnership or a Series is expected to be made on arms-length terms. While the General Partner and the Investment Manager will use commercially reasonable efforts to determine that fees paid by, and terms of engagement between, the Partnership or a Series and a Group Service Provider will not be greater than what would otherwise apply in a comparable engagement of an unaffiliated third party service provider, there is no guarantee that such services could not be obtained by an unaffiliated third party service provider at a lower cost or on more favorable terms to the Partnership or such Series. The payment of fees by the Partnership or a Series to a Group Service Provider will not offset any fees or amounts due to be paid or reimbursed to the General Partner or the Investment Manager described pursuant to the SALI Confidential Memorandum, a Series Supplement or otherwise (including management fees and any applicable performance compensation). Likewise, the payment of fees by the Partnership or a Series to the General Partner or the Investment Manager (including management fee and any applicable performance compensation) will not offset any fees or amounts due to be paid or reimbursed to a Group Service Provider under the terms of its engagement. For a list of Group Service Providers which have been engaged by the Partnership or a Series, please refer to Appendix C.

On December 16, 2021, Essential Fund Services, LLC (**"EFS"**) was acquired by the JTC Group and became a Group Service Provider. EFS currently provides accounting and administration services to certain Series, as further described on Appendix C. Neither the General Partner nor the Investment Manager are involved in management or operations of EFS, and the engagement of EFS by each relevant Series is expected to continue under its existing terms of engagement.

As the Partnership and each Series' investment programs develop over time, an investment in such Series will likely be subject to additional and different risks and potential conflicts of interest. The General Partner and Investment Manager have adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

By acquiring an Interest in a Series, each Limited Partner will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the extent possible under applicable law,

to have waived any claim with respect to the existence of any such conflict of interest and any profits arising therefrom.

***Common Counsel.*** The law firm of Akin Gump Strauss Hauer & Feld LLP (**"Akin Gump"**) serves as counsel to the Partnership, the General Partner and the Investment Manager with respect to the formation and activities of the Partnership. In acting as counsel to the Partnership, the General Partner and the Investment Manager, Akin Gump has not represented and will not represent any Limited Partners nor does it purport to represent their interests. Accordingly, prospective investors and Limited Partners in the Partnership have not had the benefit of independent counsel in the structuring of the Partnership or determination of the relative interests, rights and obligations of the General Partner, the Investment Manager and the Limited Partners. Akin Gump does not have any obligation to verify the General Partner's and the Investment Manager's compliance with their obligations either under applicable law or the governing documents of the Partnership. In assisting in the preparation of this Memorandum, Akin Gump has relied on information provided by the General Partner and the Investment Manager and certain of their other service providers (including, without limitation, the biographical data, summaries of market conditions, the investment strategy of the Partnership and its investments) without verification and does not express a view as to whether such information is accurate or complete. In addition, Akin Gump does not undertake to monitor compliance by the General Partner, the Investment Manager and their affiliates with the investment programs, valuation procedures and other guidelines set forth herein or any Series Supplement.

***J.P. Morgan as Placement Agent; Other Conflicts.*** As a major international financial services firm, J.P. Morgan and its affiliates engage in and provide a broad range of banking and financial, advisory and investment activities and services. In connection therewith, J.P. Morgan or one of its affiliates will provide private placement services to the Underlying IDFs in which the Series invest and, in turn, will indirectly or directly receive, customary compensation for such services from the Underlying IDF Managers. Specifically, J.P. Morgan and certain of its affiliates earn an ongoing fee attributable to the net assets of interests of the Underlying IDFs placed by J.P. Morgan, including the interests held by a Series. The Investment Manager will only choose to invest the assets of a Series in an Underlying IDF whose Underlying IDF Manager pays such fees to J.P. Morgan or its affiliates. In addition to acting as placement agent for certain Underlying IDFs, J.P. Morgan intends to approach certain JPM Clients with the concept of gaining indirect exposure to the Underlying IDFs, which have been identified by J.P. Morgan, through investments in Policies, the proceeds in respect of which may be invested in various Series. J.P. Morgan will neither encourage any JPM Client to purchase any Policy nor market, negotiate or sell any Policy Contract to any of such JPM Clients. J.P. Morgan does not provide advice with respect to the purchase of insurance. J.P. Morgan also serves as subadvisor to certain insurance dedicated investment vehicles managed by the Investment Manager and receives fees from the Investment Manager for its subadvisory services. A JPM Client that becomes a Policy Owner may not rely on J.P. Morgan's involvement as a placement agent for the Underlying IDFs or any discussion about the Underlying IDF with such JPM Client as advice or any endorsement with respect to the purchase of a Policy as a suitable investment.

The relationships and activities of J.P. Morgan and its affiliates described immediately above and elsewhere in this Memorandum give rise to circumstances in which the interests of J.P. Morgan, its affiliates or its clients conflict with the interests of the Series and their Limited Partners. J.P. Morgan is subject to a conflict of interest because it or its affiliates will be compensated in connection with a Series' investment in an Underlying IDF. Prospective investors should be aware of the conflicting interests and incentives faced by the Investment Manager and its affiliates and the possibility that such interests and incentives could affect behavior, consciously or unconsciously. The Investment Manager and its affiliates may face other actual or potential conflicts of interest in addition to those set forth above.

By acquiring an Interest in the Partnership, each Limited Partner will be deemed to have acknowledged the existence of such actual and potential conflicts of interest.

## VI. TAX CONSIDERATIONS

The Interests offered in this Memorandum may be purchased only by insurance companies on behalf of certain of their segregated accounts which support variable life insurance and variable annuity contracts to be offered and issued by such companies in private placement and to any partnership, limited liability company or trust whose beneficial owners consist solely of such companies. No description, covenant or representation is or will be made to any Limited Partner as to aspects of the taxation of the Partnership which a Limited Partner should consider. Each prospective Limited Partner is urged to consult its tax advisor in order to understand the federal, state, local and any foreign tax consequences of such an investment in its particular situation.

The following is a summary of certain United States federal income tax consequences relating to the ownership of Interests in the Partnership by Eligible Investors. Unless otherwise stated, this summary addresses only the classification of the Partnership as a partnership for U.S. federal income tax purposes and the application of the diversification rules under section 817(h) of the Code. It does not deal with any other federal, state, local, or foreign tax aspects of the Partnership or an investment therein. This summary is based on the Code, the Treasury Regulations and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change. Any such changes may be applied retroactively in a manner that could cause the tax consequences to vary substantially from the consequences described below, possibly adversely affecting a beneficial owner of the Partnership. Each investor should consult its own tax advisers with respect to the federal, state, local and foreign tax consequences to it of an investment in the Partnership.

If a partnership holds an Interest in the Partnership, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Prospective investors who are partners of a partnership should consult their own tax advisors. This discussion does not address possible state, local or foreign tax consequences of the purchase, ownership or disposition of Interests, some or all of which may be material to particular investors. This discussion also does not address the potential application of the U.S. federal alternative minimum tax to investors. There is uncertainty concerning certain tax aspects of the Partnership, and there can be no assurance that the Service will not challenge the positions taken by the Partnership.

The General Partner has been advised that, under the provisions of the Code, the Treasury Regulations and based on the terms of the Partnership Agreement, each Series should be treated for U.S. federal income tax purposes as a separate partnership and not as an association taxable as a corporation and should not be treated for such purposes as a "publicly traded partnership". Accordingly, each Limited Partner will be liable for any taxes owed upon its distributive share of the income or gains realized by each Series, and may claim deductions for its distributive share of such Series' losses and deductions and credits for its distributive share of such Series' credits, to the extent allowed under the Code. Each Limited Partner will be taxed on its distributive share of such Series' taxable income and gain in this manner regardless of whether it has received or will receive a distribution from the Partnership with respect to such Series. The remainder of this discussion assumes that each Series will be treated as a partnership that is not a publicly traded partnership treated as an association taxable as a corporation for U.S. federal income tax purposes. Additionally, in the remainder of this discussion, any reference to the Partnership in this Section VI, "Tax Considerations" of this Confidential Memorandum this Section "Tax Considerations" shall mean each Series, unless the context indicates otherwise.

Interests in the Partnership will be held by Insurance Company Investors through their Separate Accounts and by Eligible Insurance Dedicated Investors. Special rules apply to the taxation of insurance companies and their reserves. Each insurance company investing in the Partnership should consult its own tax advisers as to the tax treatment of an investment in the Partnership. Separate Accounts are subject to certain investment diversification requirements (the **"Diversification Rules"**) of section 817(h) of the Code and the Treasury Regulations with respect to assets held in such Separate Accounts. These rules apply to the investments made by Separate Accounts or their subaccounts (such Separate Accounts or subaccounts are

sometimes referred to as "segregated asset accounts") that are used to fund benefits under Policies that are "variable contracts" within the meaning of section 817(d) of the Code, other than "pension plan contracts." The Partnership intends for each Series to comply with the Diversification Rules, and the General Partner will use its best efforts to ensure that each Series so complies.

For these purposes, all securities of the same issuer are treated as a single investment and each U.S. Government agency or instrumentality is treated as a separate issuer, while a particular foreign government and its agencies, instrumentalities, and political subdivision will all be considered the same issuer. The diversification requirements generally provide that a Series will be considered adequately diversified only if (i) no more than 55% of the value of the total assets thereof is represented by any one investment, (ii) no more than 70% of the value of the total assets thereof is represented by any two investments, (iii) no more than 80% of the value of the total assets thereof is represented by any three investments, and (iv) no more than 90% of the value of the total assets thereof is represented by any four investments. Thus, under this general rule, a Series is required to invest a specified portion of its assets in at least five distinct investments. In general, the diversification requirement must be satisfied on the last day of each calendar quarter or within thirty (30) days thereafter. A look-through rule, under which beneficial interests in certain partnerships (such as the Partnership) are not treated as a single investment for purposes of the diversification rules, but rather as an investment in a pro rata portion of each asset of such partnership, may be available in some circumstances. The General Partner shall provide a quarterly certification of compliance with respect to the preceding diversification requirement. The General Partner shall use best efforts to cure any known diversification failure within thirty (30) days after the end of the calendar quarter to which such known diversification failure relates.

In the event a Series fails to satisfy the Diversification Rules, any Policy based on a segregated asset account (other than certain "pension plan" contracts) that has invested in the Partnership would not be treated as a life insurance contract or an annuity contract for U.S. federal income tax purposes. For this purpose, a Policy is based on a segregated asset account if amounts received under such Policy, or earnings thereon, are allocated to such segregated asset account. If a Policy is no longer treated as a life insurance contract or an annuity contract, then the owner of the Policy would be subject to current taxation on the income of the Policy for taxable years in which such failure occurs, and thereafter. If the Policy is a life insurance contract under local law, however, then certain amounts paid as death benefits will be treated as amounts paid under a life insurance contract for U.S. federal income tax purposes. If the failure to meet the Diversification Rules is shown to be inadvertent, the insurance company that issued the Policy is permitted to bring the segregated asset account into compliance with those rules, subject to certain limitations. In such cases, the Diversification Rules contemplate the payment of a "toll charge" based on the tax that owners of the Policies would have paid if they were treated as receiving the income on the Policies during the period when the account failed to meet the Diversification Rules, as they may be modified from time to time. Compliance with the Diversification Rules may have the effect of reducing the return of the Partnership, as the investments and strategies utilized by the General Partner may be different from what the General Partner might otherwise believe to be desirable.

In certain circumstances, the owner of a variable life insurance or annuity contract invested in a Separate Account may be considered the owner, for U.S. federal income tax purposes, of the assets of the Separate Account under an "investor control" theory, irrespective of whether the Separate Account satisfies the Diversification Rules. Each Policy Owner should consult his or her own tax advisers regarding the "investor control" theory and the particular tax risks, if any, posed by the Policy Owner's selection of any Series as an investment option under the related Policy.

Policy Owners have no right to communicate with or direct the investment policies or decisions of the General Partner, the Investment Manager, or any administrator, relating in any way to the Partnership, and must avoid any contact or communication with the General Partner or the Investment Manager, or even an Insurance Company Investor or an Eligible Insurance-Dedicated Fund Investor, that could be construed as a direct or indirect attempt by such Policy Owner to select or recommend particular investments to be made by or on behalf of the Partnership, or otherwise to influence the General Partner or

the Investment Manager. For purposes of this Agreement, the term Policy Owner includes: (i) any trustees of a Policy Owner; (ii) any Policy Owner's beneficiaries; (iii) any affiliated person (as this term is defined in Section 2(a)(3) of the Investment Company Act) of the foregoing persons; (iv) the person(s) insured under the variable contract, or (v) any person that the represents the Policy Owner. There is not, nor shall there be, a prearranged plan between the General Partner, the Investment Manager, or any administrator and any Policy Owner relating to the investments of the Partnership.

State or local income taxes may be payable and tax returns may be required to be filed by a Limited Partner in each of the various states in which the Partnership (directly or indirectly through a partnership in which the Partnership acquires an interest) conducts business or owns real estate. Prospective investors should consult their tax advisors with respect to the state and local tax consequences of an investment in the Partnership and the availability of a credit for such tax in the jurisdiction in which the prospective investor is a resident.

The U.S. Treasury Department has adopted regulations designed to assist the Service in identifying abusive tax shelter transactions. In general, the regulations require investors in specified transactions (including certain investors in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties (in addition to penalties that generally may be imposed as a result of a failure to comply with applicable Treasury Regulations) may be imposed for failure to comply with these tax filing and record retention rules.

The regulations are broad in scope and it is conceivable that the Partnership may enter into transactions that will subject the Partnership and certain Limited Partners to the special tax filing and record retention rules. Additionally, a Limited Partner's recognition of a loss on its disposition of its Interest could in certain circumstances subject such Limited Partner to these rules. The General Partner and the Investment Manager intend to use reasonable efforts to provide information necessary to enable Limited Partners to satisfy any tax filing and record retention requirements that may arise as a result of any transactions entered into by the Partnership.

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement (**"IGA"**) or information exchange agreement and related statutes, regulations, rules and other guidance thereunder, **"FATCA"**) impose a withholding tax of 30% on certain U.S. source interest, dividends and other types of income, which are received by a foreign financial institution (**"FFI"**), unless such FFI enters into an agreement with the Service (an **"FFI Agreement"**), and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities which do not obtain and provide information as to their direct and indirect owners.

The Service has released temporary and final Treasury Regulations and other guidance that will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance.

The Partnership may be required to act as a withholding agent under FATCA and therefore be required to withhold on income and proceeds paid to an investor that fails to comply with FATCA, which could occur if an investor that is an FFI does not enter into an FFI Agreement, is not otherwise exempt from such withholding, and/or does not provide the appropriate information and documentation (including the prescribed forms) to the Partnership or its agents showing its exemption from such withholding or compliance with FATCA. The General Partner intends to collect the appropriate documentation from all investors in the Partnership in order to determine whether it is required to withhold under FATCA with respect to distributions or allocations of income and gains made to investors.

The General Partner and the Partnership reserve the right to take any action and/or pursue all remedies at their disposal to avoid withholding requirements or otherwise to mitigate the consequences of an investor's failure to comply with FATCA, including compulsory redemption or withdrawal of the investor concerned. In this regard, the General Partner and the Partnership have certain rights to request, and the investors have certain obligations to provide, information and documentation that may be used by the General Partner and the Partnership in complying with their obligations under FATCA. In addition, no investor affected by any action or remedy by the Partnership shall have any claim against the Partnership, the General Partner, the Investment Manager, and the Investment Subadvisor (or their agents, delegates, employees, directors, officers or affiliates) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with FATCA.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Interests of the Partnership.

*The foregoing is a summary of some of the important tax rules and considerations affecting the Limited Partners, the Partnership, and the Partnership's proposed operations and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding an Interest. Each prospective investor in the Partnership is urged to consult its own tax advisor in order to understand fully the federal, state, local and any foreign tax consequences of such an investment in its particular situation.*

## VII. ERISA CONSIDERATIONS

**General.**

Fiduciaries and other persons who are proposing to invest in Interests on behalf of retirement plans, IRAs and other employee benefit plans (**"Plans"**) covered by the U.S. Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), or the Internal Revenue Code of 1986, as amended (the **"Code"**), must give appropriate consideration to, among other things, the role that an investment in the Partnership plays in the Plan's portfolio, taking into consideration whether the investment is designed to reasonably further the Plan's purposes, the investment's risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan's objectives, the limited right of Limited Partners to withdraw all or any part of their capital or to transfer their Interests and whether investment in the Partnership constitutes a direct or indirect transaction with a party in interest (under ERISA) or a disqualified person (under the Code).

**Plan Asset Regulations and Benefit Plan Investors.**

The United States Department of Labor (**"DOL"**) has adopted regulations that treat the assets of certain pooled investment vehicles, such as the Partnership, as "plan assets" for purposes of Title I of ERISA and Section 4975 of the Code (**"Plan Assets"**). Section 3(42) of ERISA defines the term "Plan Assets" to mean plan assets as defined by such regulations as the DOL may prescribe, except that under such regulations the assets of an entity shall not be treated as Plan Assets if, immediately after the most recent acquisition of an equity interest in the entity, less than 25% of the total value of each class of equity interest in the entity is held by "Benefit Plan Investors" (the **"significant participation test"**). For purposes of this determination, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, shall be disregarded. An entity shall be considered to hold Plan Assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. The term **"Benefit Plan Investors"** means any employee benefit plan subject to part 4 of Title I of ERISA (i.e., plans subject to the fiduciary provisions of ERISA), any plan to which the prohibited transaction provisions of Section 4975 of the Code apply (e.g., IRAs), and any entity whose underlying assets include Plan Assets by reason of a plan's investment in such entity (a **"Plan Asset Entity"**).

In order to prevent the assets of a Series from being considered Plan Assets under ERISA, it is the intention of the General Partner to monitor the investments in each Series and prohibit the acquisition, withdrawal or transfer of any Interests by any Limited Partner, including a Benefit Plan Investor, unless, after giving effect to such an acquisition, withdrawal or transfer, the total proportion of each class of equity interests in a Series owned by Benefit Plan Investors would be less than 25% of the aggregate value of such class (determined, as described above, by excluding certain Interests held by the Investment Manager, the General Partner and other fiduciaries and affiliates).

Without limiting the generality of the foregoing, in order to limit equity participation in each class of equity interests in a Series by Benefit Plan Investors to less than 25%, the General Partner may compel and/or restrict the redemption of any Interests of a Benefit Plan Investor. Each Limited Partner that is an insurance company acting on behalf of its general account or a Plan Asset Entity will be required to represent and warrant as of the date it acquires Interests the maximum percentage of such general account or Plan Asset Entity that will constitute Plan Assets (the **"Maximum Percentage"**) so such percentage can be calculated in determining the percentage of Plan Assets invested in the Series. Further, each such insurance company and Plan Asset Entity will be required to covenant that if, after its initial acquisition of Interests, the Maximum Percentage is exceeded at any time, then such insurance company or Plan Asset Entity shall immediately notify

the General Partner of that occurrence and shall, if and as directed by the General Partner, in a manner consistent with the restrictions on transfer set forth herein, redeem or dispose of some or all of the Interests held in its general account or Plan Asset Entity.

If a Series' assets were considered Plan Assets, then, under ERISA and the Code, the Investment Manager and the General Partner would be fiduciaries, and certain of their employees, partners and officers, as well as certain affiliates, would become "parties in interest" and "disqualified persons," with respect to the investing Plans, with the result that the rendering of services to certain related parties or the lending of money or other extensions of credit, or the sale, exchange or leasing of property by the Series or certain related parties, or the payment of certain fees, as well as certain other transactions, might be deemed to constitute prohibited transactions. Additionally, individual investment in Interests by persons who are fiduciaries, and/or parties-in-interest and disqualified persons, to a Plan might be deemed to constitute prohibited transactions under such circumstances.

**Plans' Reporting Obligations**

The information contained herein and in the other documentation provided to investors in connection with an investment in the Partnership is intended to satisfy the alternative reporting option for "eligible indirect compensation" on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

**Representations by Plans**

The fiduciaries of each Plan proposing to invest in a Series will be required to represent that they have been informed of and understand such Series' investment objectives, policies and strategies and that the decision to invest Plan Assets in the Series is consistent with the provisions of ERISA and/or the Code that require diversification of Plan Assets and impose other fiduciary responsibilities. By its purchase, each investor will be deemed to have represented that either (a) it is not a Plan that is subject to the prohibited transaction rules of ERISA or the Code, (b) it is not an entity whose assets include Plan Assets or (c) its investment in a Series will not constitute a non-exempt prohibited transaction under ERISA or the Code.

**Ineligible Purchasers**

Interests may not be purchased with Plan Assets if the Investment Manager, the General Partner, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such Plan Assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such Plan Assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan Assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a "prohibited transaction" under ERISA and the Code.

*Whether or not the underlying assets of a Series are deemed Plan Assets, an investment in a Series by a Plan is subject to ERISA and the Code. Accordingly, Plan fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in a Series. Note that similar laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their counsel, should consider the impact of their respective laws and regulations on an investment in a Series.*

## VIII. REGULATORY CONSIDERATIONS

**Securities Act of 1933.**

Interests will not be registered under the Securities Act of 1933, as amended (the **"Securities Act"**), or any other securities law, including state securities or blue sky laws. Interests will be offered without registration in reliance upon the exemption contained in Regulation D of the Securities Act or regulations of the Securities and Exchange Commission applicable to transactions not involving a public offering. Each investor will be required, in the Subscription Agreement pursuant to which such investor subscribes for an Interest, to make customary Regulation D representations.

**Investment Company Act of 1940.**

The Partnership will not be registered under the Investment Company Act of 1940, as amended, in reliance on Section 3(c)(7) thereof.

**Investment Advisers Act of 1940.**

The Investment Manager is registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

**Commodity Exchange Act.**

The Investment Manager is registered as a "commodity pool operator" (**"CPO"**) with the Commodity Futures Trading Commission (**"CFTC"**) and is a member of the National Futures Association (**"NFA"**). The Investment Manager is exempt from the obligations of a registered CPO with respect to the Partnership because the Investment Manager has claimed the relief provided to fund of fund operators pursuant to CFTC no-action letter 12-38, so that unlike a registered CPO, the Investment Manager is not required to deliver a disclosure document, as that term is used in the CFTC's rules, or audited financial statements to Limited Partners.

The Investment Manager currently qualifies for such no-action relief with respect to the Partnership on the basis that, among other things (i) the Partnership invests in other commodity pools; (ii) each Limited Partner is either an "accredited investor" as defined under the SEC rules or otherwise a "qualified eligible person" as defined in CFTC Rule 4.7(a)(2); (iii) the Interests in the Partnership are exempt from registration under the Securities Act, and are offered and sold without marketing to the public in the United States; (iv) participations in the Partnership are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (v) the Partnership is currently in compliance with the de minimis thresholds in CFTC Rule 4.13(a)(3)(ii) as per CFTC no-action letter 12-38.

## IX. SUBSCRIPTIONS

**Subscription Procedures.**

Subscriptions for Interests will be accepted as of the first business day of each calendar month, or such other times as the General Partner shall determine. The General Partner, in its discretion, reserves the right to reject any subscription.

The General Partner is seeking subscriptions in the minimum amount set forth in the Series Supplement, provided that the General Partner may waive this requirement in its discretion. The General Partner has not established any maximum amount of subscriptions that may be accepted. With the consent of the General Partner, Limited Partners may make additional contributions in amounts specified in the Series Supplement.

Subscriptions are payable in full upon acceptance. Subscriptions generally are payable in cash, although the General Partner may accept securities by special arrangement.

**Investor Eligibility Requirements.**

The Partnership is not required to register under the Investment Company Act in reliance on Section 3(c)(7) thereof, which excuses from registration a collective investment vehicle whose securities are not publicly offered and are beneficially owned exclusively by persons who, at the time of purchase, were "accredited investors" as defined in the Securities Act. Investors must also be "qualified purchasers" as defined in the Investment Company Act and "qualified eligible persons" within the meaning of Rule 4.7 of the CFTC Regulations. More detailed information concerning the applicable suitability criteria is set forth in the Partnership's subscription materials.

**Anti-Money Laundering Regulations.**

All subscriptions for Interests will be subject to applicable anti-money laundering regulations. Limited Partners will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-56).

As part of the Partnership's responsibility to comply with regulations aimed at the prevention of money laundering, the General Partner or its delegate may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

The General Partner reserves the right to request such information as is necessary to verify the identity of a prospective investor. The General Partner also reserves the right to request such identification evidence in respect of a transferee of Interests. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the General Partner may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Interests) any funds received will be returned without interest to the account from which the monies were originally debited.

The General Partner also reserves the right to refuse to make any withdrawal payment or distribution to a Limited Partner, if the General Partner suspects or is advised that the payment of any withdrawal or distribution moneys to such Limited Partner might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or

appropriate to ensure the compliance by the Partnership, the General Partner and the Investment Manager with any such laws or regulations in any relevant jurisdiction.

## X. ADDITIONAL INFORMATION

### Legal Counsel

Legal counsel to the Partnership and the General Partner is Akin Gump Strauss Hauer & Feld LLP. Should a future dispute arise among or between the Partnership, the General Partner and/or the Investment Manager, separate counsel may be retained as circumstances then dictate. Counsel to the Partnership does not represent the Limited Partners in connection with the offering of Interests.

### Auditors

The auditor for each Series will be specified in each Series Supplement.

### Administrator

The Investment Manager will serve as administrator to each Series and will engage Essential Fund Services as a third party accountant.

### Inquiries

Inquiries concerning the Partnership and subscriptions for limited partnership interests should be directed to:

Thomas A. Nieman
SALI Select Partners, LLC
6850 Austin Center Blvd., Suite 300
Austin, TX 78731
tnieman@sali.com
(512) 735-SALI

### Legal Notices and Investment Instructions

Instructions or notices regarding an investment in the Partnership (including, without limitation, withdrawal requests) must be in writing and should be directed to the General Partner at the following address or any other address that the General Partner shall designate in writing:

Fund Administration Department
SALI Select Partners, LLC
6850 Austin Center Blvd., Suite 300
Austin, Texas 78731
admin@sali.com

To be effective, a notice or instruction must be (1) mailed by first class mail, postage prepaid, registered or certified with return receipt requested, (2) sent by nationally recognized overnight courier (with all fees prepaid), (3) delivered in person to the intended addressee, or (4) sent by e-mail, provided that for e-mail notice to be effective the recipient must affirmatively acknowledge receipt of such notice by a return e-mail. Notices and instructions to the General Partner are effective upon receipt by the General Partner.

Each Limited Partner will be required to acknowledge that in connection with the services provided to the Partnership, its personal data may be transferred and/or stored in various jurisdictions in which

the Investment Manager and/or its affiliates have a presence, including to jurisdictions that may not offer a level of personal data protection equivalent to the subscriber's country of residence. Each Limited Partner will also be required to acknowledge in the subscription documents that the Partnership, the General Partner, and/or the Investment Manager may disclose the Limited Partner's personal data to each other, to any affiliate, to any other service provider to the Partnership, to any investment vehicle (including its administrator) that the Partnership may invest or to any regulatory body in any applicable jurisdiction to which the Partnership, the General Partner and/or the Investment Manager is or may be subject. This includes copies of the Limited Partner's subscription application/documents and any information concerning the Limited Partner in his/her respective possession, whether provided by the Limited Partner to the Partnership, the General Partner, the Investment Manager or otherwise, including details of that Limited Partner's holdings in the Partnership, historical and pending transactions in the Partnership's Interests and the values thereof, and any such disclosure, use, storage or transfer shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any such person by law or otherwise.

***This Memorandum does not purport to be and should not be construed as a complete description of the Partnership Agreement, a copy of which will be provided to each prospective investor. Each prospective investor in the Partnership is encouraged to review the Partnership Agreement carefully, in addition to consulting appropriate legal and tax counselors.***

## XI. APPENDIX A – LIST OF AVAILABLE SERIES

[See Attached.]

## XII. APPENDIX B – FORM ADV PART 2B

SALI Fund Management, LLC Part 2A of the Form ADV the Brochure

[See Attached]

## APPENDIX C – GROUP SERVICE PROVIDERS

# SALI SELECT SERIES, L.P.

*A Delaware Series Limited Partnership*

Amended and Restated Limited Partnership Agreement

July 6, 2022
Effective July 21, 2022

## NOTICE

NEITHER SALI SELECT SERIES, L.P. NOR THE LIMITED PARTNER INTERESTS THEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE OFFERING OF SUCH LIMITED PARTNER INTERESTS IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS.

THE DELIVERY OF THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF INTERESTS IN SALI SELECT SERIES, L.P. IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS SET FORTH IN THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT.

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# AMENDED AND RESTATED
# LIMITED PARTNERSHIP AGREEMENT
# OF
# SALI SELECT SERIES, L.P.

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of SALI Select Series, L.P. is dated July 6, 2022, by and among SALI Select Partners, LLC, as General Partner, those Persons who have been previously admitted as Limited Partners and those Persons who are hereafter admitted as Limited Partners (but excluding any Persons who cease to be Partners) in accordance with this Agreement. Capitalized terms have the meanings set forth in Article I.

## PRELIMINARY STATEMENTS

WHEREAS the Partners formed a series limited partnership under the Act by causing the Certificate to be filed with the Secretary of State of the State of Delaware and by entering into a limited partnership agreement dated as of January 1, 2016, as amended and restated through July 15, 2020 (the **"Prior Agreement"**); and

WHEREAS the parties hereto desire to continue the Partnership as a limited partnership under the Act and to make certain modifications to the Prior Agreement, as hereafter set forth.

NOW THEREFORE, in consideration of the mutual covenants expressed herein and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree that the Prior Agreement is amended and restated in its entirety to read as follows:

## ARTICLE I
## DEFINITIONS

For purposes of this Agreement:

**"Accounting Period"** means, with respect to each Series, each period that starts at the opening of business on the Commencement Date of such Series (in the case of the initial Accounting Period) and thereafter on the day immediately following the last day of the preceding Accounting Period, and that ends at the close of business on the earliest of the following dates:

(1) the last day of each calendar month;

(2) any date as of which any withdrawal or distribution of capital is made by or to any Partner with respect to such Series or as of which this Agreement provides for any amount to be credited to or debited against a Capital Account of any Partner of such Series, as may be required in order to comply with any legal or regulatory authority, other than a withdrawal or distribution by or to, or an allocation to the

Capital Accounts of, all Partners of such Series that does not result in any change of any Partner's Series Percentage;

(3) the date that immediately precedes any day as of which a contribution to capital is accepted by the General Partner from any new or existing Partner with respect to such Series;

the date of any Recognition Event with respect to a Special Situation Investment held by such Series; or

(4) any other date that the General Partner selects in its sole discretion.

**"Act"** means the Delaware Revised Uniform Limited Partnership Act (6 *Del. C.* § 17-101 *et seq.*), as amended from time to time.

**"Affiliate"** means with respect to any Person, a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, and the term **"Affiliated"** has a correlative meaning. The term **"control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities, by contract or otherwise.

**"Agreement"** means this Amended and Restated Limited Partnership Agreement, as amended or modified from time to time and as supplemented by any Series Supplement.

**"Ancillary Services"** has the meaning set forth in Section 4.3(d).

**"Authorized Representative"** has the meaning set forth in Section 7.5(a).

**"BBA"** means the Bipartisan Budget Act of 2015, as amended from time to time.

**"BBA Effective Period"** means any taxable year commencing after 2017, taking into account any extensions of the effective date set forth in Bipartisan Budget Act Section 1101(g)(1), as applicable, or in any other BBA guidance.

**"Business Day"** means any day on which the New York Stock Exchange, The Nasdaq Stock Market and commercial banks in New York City are open for business.

**"Capital Account"** means, with respect to each Partner, the capital account established and maintained on behalf of such Partner in respect of each Series of Interest held by such Partner as described in Section 3.3.

**"Certificate"** has the meaning set forth in Section 2.1(b).

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended, and as hereafter amended, or any successor law.

**"Commencement Date"** means, with respect to each Series, the first date on or as of which a Limited Partner acquires an Interest in such Series of the Partnership.

**"Contract Owner"** has the meaning set forth in Section 2.12(b).

**"Eligible Insurance Company Investor"** means any segregated separate account established by life insurance companies to fund variable life insurance and variable annuity contracts, as defined under Section 817 of the Code.

**"Eligible Insurance Dedicated Fund Investor"** means an investment fund that is eligible to purchase and hold an Interest under Section 817(h) of the Code and corresponding Regulations Section 1.817-5 (including, but not limited to, the "look-through" requirements of Section 1.817-5(f)) and in compliance with Revenue Ruling 2005-7.

**"Eligible Investor"** means any Eligible Insurance Company Investor or Eligible Insurance Dedicated Fund Investor, as the context requires. For the avoidance of doubt, Eligible Investors must also be "United States persons" for U.S. federal income tax purposes pursuant to Section 7701(a)(30) of the Code and the Regulations thereunder.

**"FATCA"** means Sections 1471 through 1474 of the Code, as amended, and any Regulations thereunder or official interpretations or other official guidance thereof, including any successor Regulations or interpretations, and any intergovernmental agreement and any regulations with respect thereto or official interpretations or other official guidance thereof implementing the foregoing.

**"FINRA"** means the Financial Industry Regulatory Authority, Inc.

**"Fiscal Year"** means, with respect to each Series, the period commencing on the Commencement Date of such Series and ending on December 31 of the year in which such Commencement Date occurred, and thereafter each period commencing on January 1 of each year and ending on December 31 of such year, unless the General Partner shall elect another fiscal year, provided that any such other fiscal year shall be permissible for U.S. federal income tax purposes. In the case of a Fiscal Year in which a Series is liquidated or the Partnership is terminated, "Fiscal Year" means the portion of the calendar year ending on the date on which such Series liquidated or the Partnership terminated, respectively.

**"Gains"** has the meaning set forth in Section 3.9(c).

**"General Partner"** means SALI Select Partners, LLC, a Delaware limited liability company, any successor thereto, and any Persons hereafter admitted as additional general partners, in its or their capacity as general partner of the Partnership.

**"Indemnified Person"** has the meaning set forth in Section 4.6(a).

**"Interest"** means the entire ownership interest of a Partner in a Series of the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner of such Series may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement relating to such Series. The Partnership has created multiple separate Series of Interests and the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to one Series shall be enforceable only against the assets of such Series and not against any other assets of the Partnership generally or any other Series, and none of the debts, liabilities, obligations and expenses incurred,

contracted for or otherwise existing with respect to the Partnership generally or any other Series shall be enforceable against the assets of any such Series.

**"Investment Company Act"** means the Investment Company Act of 1940, as amended.

**"Investment Management Agreement"** means the Investment Management Agreement by and among the Investment Manager, the Partnership on behalf of each Series and the General Partner.

**"Investment Manager"** means SALI Fund Management, LLC, a Delaware limited liability company, and any successor thereto.

**"Investment Vehicle"** means the investment companies, partnerships or trusts that are "insurance dedicated funds" as described under the look-through rule in Treasury Regulation Section 1.817-5(f) and offered to the Partnership through J.P. Morgan Securities, LLC as placement agent, which may include without limitation, a hedge fund or other private investment fund, a mutual fund, exchange traded fund, or other similar investment vehicles managed by the Investment Manager or a manager selected by the Investment Manager.

**"Limited Partner"** means any Eligible Investor admitted to the Partnership as a Limited Partner, until the entire Interest of such Eligible Investor has been withdrawn pursuant to Section 5.5, or a substitute Limited Partner or Partners are admitted with respect to such Eligible Investor's entire Interest. For all purposes of the Act, the Limited Partners constitute a single class or group of limited partners.

**"Losses"** has the meaning set forth in Section 3.9(d).

**"Majority of Limited Partners"** means Limited Partners whose Capital Accounts represent more than fifty percent (50%) of the aggregate Capital Accounts of all Limited Partners or all Limited Partners of a particular Series whose Series Percentages with respect to such Series represent more than fifty percent (50%) of the aggregate Series Percentages of all Limited Partners within such Series, as the context may require.

**"Managed Account"** means any assets or investment of the General Partner, or any assets managed by the General Partner or any Affiliate of the General Partner for the account of any party other than the Partnership which are invested or which are available for investment or trading activities, whether or not of the specific type being conducted by the Partnership.

**"Management Fee"** means, with respect to each Limited Partner and its Interest in any Series, an amount determined as of the beginning of each calendar month and at such percentage of such Limited Partner's Capital Account of that Series as set forth in the applicable Series Supplement, as of the first day of the calendar month to which the Management Fee relates, after taking into account any capital contributions accepted as of such date, but prior to taking into account the accrual of the Management Fee for that calendar month or any other allocations to such Limited Partner's Capital Account for that calendar month as of such date. Capital contributions accepted after the commencement of a calendar month will be subject to a pro-rated Management Fee based on the number of days remaining in the applicable calendar month. If a Limited Partner is permitted or required to withdraw capital from the Partnership prior to the close

of a calendar month, a pro rata portion of the applicable Management Fee will be refunded by the Investment Manager to the Partnership and credited to the withdrawing Limited Partner's Capital Account.

**"Memorandum"** means the Confidential Private Offering Memorandum of the Partnership, as amended and/or modified from time to time and as supplemented by any Series Supplement.

**"Negative Basis"** means, with respect to any Partner and as of any time of calculation, the Capital Account amount by which such Partner is entitled to receive upon withdrawal from or liquidation of the Series is less than its "adjusted tax basis", for U.S. federal income tax purposes, in its interest in the Series as of such time (determined without regard to any adjustments made to such "adjusted tax basis" by reason of any transfer or assignment of such interest).

**"Negative Basis Partner"** means any Partner who withdraws from a Series and who has Negative Basis with respect to such Series as of the effective date of its withdrawal, but such Partner shall cease to be a Negative Basis Partner in such Series at such time as it shall have received allocations pursuant to Section 3.9(d) equal to its Negative Basis as of the effective date of its withdrawal with respect to such Series.

**"Net Assets"** means the total value, as determined by the General Partner in accordance with Section 7.2, on a Series-by-Series basis, as appropriate, of the Partnership's interests in all Investment Vehicles and all other assets of the Partnership other than any amounts recorded in a Special Situation Investment Sub-Account (including net unrealized appreciation or depreciation of Investment Vehicles and any accrued interest and dividends receivable net of any withholding taxes), less an amount equal to all accrued debts, liabilities and obligations of the Partnership (including any reserves for contingencies accrued pursuant to Section 3.6 but not including any amounts recorded in a Special Situation Investment Sub-Account). Except as otherwise expressly provided herein, Net Assets as of the first day of any Accounting Period shall be determined on the basis of the valuation of assets conducted as of the close of the immediately preceding Accounting Period but after giving effect to any net capital contributions and / or withdrawals made by any Partner subsequent to the last day of such immediately preceding Accounting Period and after giving effect to Management Fee charges. Net Assets as of the last day of any Accounting Period shall be determined before giving effect to any of the following amounts payable by the Partnership which are effective as of the date on which such determination is made:

(1) any withdrawals or distributions payable to any Partner which are effective as of the date on which such determination is made; and

(2) withholding or other taxes, expenses of processing withdrawals and other items payable, any increases or decreases in any reserves or other amounts recorded pursuant to Section 3.6 and any increase or decrease in the value of any Restricted Issues pursuant to Section 3.7 and other amounts specially allocated pursuant to Section 3.7 during the Accounting Period ending as of the date on which such determination is made, to the extent the General Partner determines that, pursuant to any provisions of this Agreement, such items are not to be charged ratably to the Capital Accounts of all Partners of a Series on the basis of their respective Series Percentages for such Series as of the commencement of the Accounting Period.

**"Net Loss"** means any amount by which the Net Assets as of the first day of an Accounting Period exceed the Net Assets as of the last day of the same Accounting Period.

**"Net Profit"** means any amount by which the Net Assets as of the last day of an Accounting Period exceed the Net Assets as of the first day of the same Accounting Period.

**"New Issue Rules"** has the meaning set forth in Section 3.7

**"Other Agreement"** has the meaning set forth in Section 8.11.

**"Partner"** means the General Partner or any of the Limited Partners, except as otherwise expressly provided herein, and "Partners" means the General Partner and all of the Limited Partners.

**"Partnership"** means the series limited partnership formed pursuant to the Certificate and governed by this Agreement.

**"Partnership Representative"** has the meaning set forth in Section 8.10.

**"Person"** means any individual, partnership, corporation, limited liability company, trust or other entity.

**"Portfolio Manager"** means a portfolio manager of an Investment Vehicle, which may include the Investment Manager.

**"Positive Basis"** means, with respect to any Partner of a Series and as of any time of calculation, the excess of the Capital Account amount which such Partner is entitled to receive with respect to such Series upon withdrawal from or liquidation of the Series over such Partner's "adjusted tax basis" in such Series for U.S. federal income tax purposes at such time (determined without regard to any adjustments made to such adjusted tax basis by reason of any transfer or assignment of such Interest in the Series, including by reason of death).

**"Positive Basis Partner"** means any Partner who withdraws from a particular Series and who has Positive Basis with respect to such Series as of the effective date of such withdrawal, but such Partner shall cease to be a Positive Basis Partner at such time as it shall have received allocations pursuant to Section 3.9(c) equal to such Partner's Positive Basis as of the effective date of the withdrawal.

**"Prior Agreement"** means the initial Limited Partnership Agreement of the Partnership dated as of January 1, 2016 as amended and restated through July 15, 2020.

**"Recognition Event"** means in part or in whole with respect to a Special Situation Investment any of the following: (i) a sale of the Special Situation Investment for cash; (ii) an exchange of the Special Situation Investment for Securities that are not Special Situation Investments; (iii) an in kind distribution of the Special Situation Investment to Partners; (iv) if market quotations have become readily available for securities of the same class and series as the Special Situation Investment, the occurrence of all events necessary to permit the Partnership to make unrestricted public resales of such Special Situation Investment in the principal market for

which such quotations are available without adversely affecting the interests of the Partnership, as determined by the General Partner; (v) a determination that the circumstances which resulted in classification as a Special Situation Investment no longer exist; and (vi) the liquidation of a Series' assets pursuant to Section 6.2.

**"Regulations"** means the proposed, temporary and final U.S. Treasury Regulations promulgated under the Code, including any successor regulations.

**"Restricted Capital Accounts"** has the meaning set forth in Section 3.7

**"Restricted Issues"** has the meaning set forth in Section 3.7

**"Securities"** means interests commonly referred to as securities, including, but not limited to: capital stock; shares of beneficial interest; partnership and limited liability company interests and similar financial instruments; interests in real estate (including REITs) and real estate related assets; bonds, notes, bills, debentures (whether subordinated, convertible or otherwise); currencies; commodities; interest rate, currency, commodity, equity and other derivative products, including, without limitation, (i) forwards and futures contracts (and options thereon) relating to stock indices, currencies, United States government securities and securities of foreign governments, other financial instruments and all other commodities; (ii) swaps, options, warrants, caps, collars, floors and forward rate agreements; (iii) spot and forward currency transactions; and (iv) agreements relating to or securing such transactions; mutual funds; money market funds; obligations of the United States, any state thereof, foreign governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances, trust receipts; and other obligations and instruments or evidences of indebtedness of whatever kind or nature of any Person, corporation, government or entity whatsoever, whether or not publicly traded or readily marketable; or such other instruments identified by the General Partner or a Portfolio Manager.

**"Series"** means any series of Interests and such other series of Interests as the General Partner may from time to time create as listed in Appendix A. The debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to one Series shall be enforceable only against the assets of such Series and not against any other assets of the Partnership generally or any other Series, and none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Partnership generally or any other Series shall be enforceable against the assets of any such Series.

**"Series Percentage"** means a percentage established for each Partner with respect to each Series on the Partnership's books as of the first day of each Accounting Period of each such Series. A Partner's Series Percentage in a Series of Interests for an Accounting Period shall be determined by dividing the amount of the Partner's Capital Account balance with respect to such Series as of the beginning of the Accounting Period (after crediting all capital contributions to such Series, net of all deductions including Management Fees payable for prior periods, if any, but excluding the value of any Special Situation Investment Sub-Accounts) by the sum of the Capital Accounts of such Series of all of the Partners with Interests in such Series as of the beginning of the Accounting Period (after crediting all capital contributions to such Series which are effective as of such date, net of all deductions including Management Fees, but excluding the value of any Special Situation

Investment Sub-Accounts). The sum of the Series Percentages of all Partners with respect to a Series for each Accounting Period of each such Series shall equal one hundred percent (100%).

**"Series Supplement"** means, with respect to any Series, the series supplement to the Memorandum and this Agreement relating to the offering of Interests in the Partnership.

**"Special Situation Investment"** means an Investment Vehicle or other Security held by a Series designated as such by the General Partner at the time of the acquisition or a later date, by reason of being subject to legal or contractual restrictions in transferability or being subject to other special considerations that, in the opinion of the General Partner, restrict the ability of a Series to dispose of such Investment Vehicle or such other Security in conventional market transactions without impairing the value of such Investment Vehicle or such other Security until the occurrence of a Recognition Event with respect thereto.

**"Special Situation Investment Sub-Accounts"** means memorandum accounts to be maintained in the accounting records of each Series on a Partner-by-Partner basis with respect to each particular Special Situation Investment held by such Series to reflect the entitlement of each Partner holding an Interest in such Series (other than a Partner who does not have any credit balance in its Capital Account in such Series at the time of the establishment of the Special Situation Investment Sub-Account that is unrelated to a pre-existing Special Situation Investment Sub-account) to allocations and distributions attributable to Series transactions involving such Special Situation Investments.

**"Tax Matters Partner"** has the meaning set forth in Section 8.10(a).

**"Transfer"** means any sale, exchange, transfer, pledge, assignment or other disposition by a Partner of its Interest to another party, whether voluntary or involuntary, including transfer by operation of law.

**"Treasury Bill Rate"** means, with respect to any calendar month, a rate of interest, determined and adjusted monthly by the General Partner as of the fifth Business Day of each month, equal to the annual coupon equivalent yield on 13-week U.S. Treasury bills resulting from the most recent auction of such instruments prior to the monthly determination date.

## ARTICLE II
## ORGANIZATION

### 2.1 Continuation of Series Limited Partnership

(a) The General Partner and the Limited Partners hereby agree to continue the Partnership as a series limited partnership under the provisions of the Act, and the rights and liabilities of the Partners shall be as provided in the Act and this Agreement.

(b) The General Partner has executed, acknowledged and filed with the Secretary of State of the State of Delaware the Certificate of Limited Partnership of the Partnership (the

**"Certificate"**), and shall execute, acknowledge and file with the Secretary any amendments thereto as may be required by the Act and any other instruments, documents and certificates which, in the opinion of the Partnership's legal counsel, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership. The General Partner shall cause any required amendment to the Certificate to be filed promptly following the event requiring said amendment. All amendments to the Certificate may be signed by the General Partner (as required by the Act) and may be signed either personally or by an attorney-in-fact. Pursuant to Section 17-218(b) of the Act, the Certificate must provide notice that the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to one Series shall be enforceable only against the assets of such Series and not against any other assets of the Partnership generally or any other Series, and none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Partnership generally or any other Series shall be enforceable against the assets of any such Series.

(c) The parties hereto agree to operate the Partnership as a series limited partnership pursuant to the provisions of the Act and of this Agreement and agree that the rights and liabilities of the Limited Partners and the General Partner are as provided in the Act for limited partners and the general partner, except as provided herein.

(d) The parties hereto acknowledge that they intend that each Series of the Partnership be classified as a "partnership" and not as an association taxable as a corporation for U.S. federal income tax purposes. No election may be made by the Partners or the Partnership to treat the Partnership, or any Series, as other than a "partnership" for U.S. federal, state and/or local income tax purposes and, to the extent necessary, the Partners or Partnership shall make any election to treat the Partnership as such. The Partners shall treat the Partnership and each Series consistently with their status as "partnerships" for U.S. federal income tax purposes and agree to undertake any further action which is necessary to treat the Partnership and each Series as such, and shall not undertake any action that is inconsistent with the Partnership's and each Series' status as "partnerships" for U.S. federal income tax purposes.

(e) The General Partner may change the domicile of the Partnership to another state, country or other jurisdiction where advisable due to legal, tax or other considerations; provided that no such change of domicile would reasonably be expected to have a material adverse effect on the Limited Partners.

**2.2 Name of Partnership**

The name of the Partnership shall be SALI Select Series, L.P. or such other name as the General Partner may hereafter adopt upon causing an amendment to the Certificate to be filed with the Secretary of State of the State of Delaware. The General Partner shall send a notice of any change of name to the Limited Partners. The Partnership has the exclusive ownership and right to use the Partnership name so long as the Partnership continues, despite the withdrawal, expulsion, resignation or removal of any Limited Partner, but upon the Partnership's termination or at such time as the General Partner or one of its Affiliates ceases to be a general partner, the Partnership

must assign the name and the goodwill attached thereto to the General Partner or one of its Affiliates without payment by the assignee(s) of any consideration therefore.

### 2.3 Principal Office; Registered Office and Agent

(a) The Partnership shall have its principal office at such location as the General Partner shall designate from time to time.

(b) The Partnership shall have its registered office in Delaware at the office of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 and shall have Corporation Service Company as its registered agent for service of process in Delaware at such address, unless a different registered office or registered agent is designated from time to time by the General Partner.

### 2.4 Term of Partnership

The term of the Partnership commenced on the date on which the Certificate was filed with the Secretary of State of the State of Delaware and shall continue until dissolved pursuant to Section 6.1 hereof. The legal existence of the Partnership as a separate legal entity shall continue until the cancellation of the Partnership's Certificate.

### 2.5 Objectives and Powers of Partnership

The Partnership is organized for the purpose of (i) seeking to achieve investment returns from investments in Investment Vehicles utilizing various investment strategies, (ii) engaging in all activities and transactions as the General Partner may deem necessary or advisable in connection therewith, including, without limitation, allocating and investing discrete segments of the Partnership's assets to Investment Vehicles deemed appropriate by the General Partner, which Investment Vehicles invest in Securities, and borrowing money on behalf of a Series.

### 2.6 Purpose of the Partnership

The Partnership was formed for the purpose of selling its Interests to Eligible Investors and to engage in any lawful act or activity for which series limited partnerships may be formed under the Act and to engage in any and all activities necessary or incidental to the foregoing.

### 2.7 Liability of Partners

(a) Except as provided by the Act, the General Partner has the liabilities of a partner in a partnership without limited partners to Persons other than the Partnership and the Limited Partners. Except as provided herein or by the Act, the General Partner has the liabilities of a partner in a partnership without limited partners to the Partnership and the Limited Partners.

(b) In no event will any Limited Partner (or former Limited Partner) be obligated to make any contribution to a Series in addition to its agreed capital commitment (or other payments provided for herein) or have any liability for the repayment or discharge of the debts and obligations of the Partnership except to the extent provided herein or as required by law.

## 2.8 Actions by Partnership

The Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out its objects.

## 2.9 Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

## 2.10 UCC Status of Limited Partner Interests

(a) For purposes of the grant, pledge, attachment or perfection of a security interest in an Interest or otherwise, the Interests shall be deemed to be "securities" within the meaning of Section 8-102(a)(15) and as provided by Section 8-103(c) of the Uniform Commercial Code as in effect from time to time in the State of Delaware or analogous provisions in the Uniform Commercial Code in effect in any other jurisdiction.

(b) Any Interest may be evidenced by a certificate of partnership interest issued by the Partnership in such form as the General Partner may approve. Every certificate representing an Interest shall bear a legend substantially in the following form:

> "For the purposes of Section 8-103 of the Uniform Commercial Code of the United States of America in effect in any relevant jurisdiction, the certificates representing an interest in the Series Limited Partnership shall constitute "securities" within the meaning of Section 8-102 and Section 8-103 of the Uniform Commercial Code."

## 2.11 Series of Interests

(a) The General Partner has created, and may in the future, create by supplement hereto different Series of Interests on such terms and with such rights and obligations as the General Partner may, in its sole discretion, determine, so long as no changes to this Agreement with respect to such Series would have a material adverse effect on Limited Partners with Interests in any other Series. The Series of Interests outstanding from time to time are listed in Appendix A. The General Partner may create further Series of Interests having such terms as the General Partner, in its sole discretion, determines.

(b) All allocations and distributions pursuant to Article III shall be calculated separately for each Series, and the related definitions shall be interpreted accordingly. The General Partner shall ensure that, to the extent feasible, the assets and liabilities related to any one Series are accounted for separately from the assets and liabilities of any other Series, it being the intent that the economic and other benefits inuring to the holder of an Interest of any one Series shall not be affected by the performance of any other Series. Any items relating to more than one Series, or

relating to the Partnership as a whole, shall be apportioned among each of the Series by the General Partner in an equitable manner.

(c) Pursuant to Section 17-218(b) of the Act, the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to one Series shall be enforceable only against the assets of such Series and not against any other assets of the Partnership generally or any other Series and none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Partnership generally or any other Series shall be enforceable against the assets of any such Series.

**2.12 Representations, Warranties, and Covenants**

(a) The General Partner will use its best efforts to manage the Partnership so that it is at all times in compliance with Code Section 817(h) and the Regulations thereunder (including, without limitation, Regulations Section 1.817-5), as the same may be amended or interpreted from time to time. The General Partner will notify the Limited Partners promptly upon having a reasonable basis for believing that the Partnership has ceased to meet the standards set forth in this Section 2.12(a) and will take all reasonable steps to comply with the diversification requirements within the grace period afforded under Regulations Section 1.817-5. As a condition to managing the Partnership in the manner described in this Section 2.12(a), the General Partner is relying on a number of continuing representations of each Eligible Insurance Company Investor investing in the Partnership on behalf of one or more separate accounts including, but not limited to, the following:

(i) the Eligible Insurance Company Investor is a life insurance company subject to taxation under subchapter L of the Code;

(ii) the Eligible Insurance Company Investor maintains "variable contracts," as defined in Code Section 817(d), in which all or part of the amounts received under the contract must be segregated from the general asset accounts of the Eligible Insurance Company Investor pursuant to U.S. federal or state law or the law of any other jurisdiction;

(iii) the Eligible Insurance Company Investor invests only assets held in the segregated asset account or accounts in the Partnership; and

(iv) access to the segregated asset account or accounts of the Eligible Insurance Company Investor is available only through the purchase of a variable contract from the Eligible Insurance Company Investor.

Notwithstanding the foregoing, neither the Partnership nor the General Partner shall have any obligation to (i) determine if any U.S. state's diversification requirements or other regulatory requirements applicable to insurance companies or insurance contract separate accounts are applicable to the Partnership or to any Limited Partner or (ii) take any steps to facilitate compliance with any such requirements.

(b) Neither the General Partner nor the Partnership will accept investment recommendations or make any investment decisions regarding the direct or indirect investment of the Partnership's assets based, in whole or in part, on information regarding any investment or

group of investments received from any Limited Partner or from any beneficial owner of a variable life insurance or variable annuity contract issued by a Limited Partner (each such owner, a **"Contract Owner"**). No Limited Partner or a Contract Owner will have the right or be permitted to select or recommend any particular investment or group of investments to be made directly or indirectly with the assets of the Partnership, and there are not, nor will there be, any direct or indirect arrangements, plans or agreements between any Limited Partner or a Contract Owner and the General Partner regarding the investments to be made directly or indirectly by the Partnership.

## ARTICLE III
## CAPITAL

### 3.1 Contributions to Capital

(a) The minimum initial capital contribution of each Limited Partner to the capital of a Series shall be the minimum initial capital contribution stated in the Series Supplement to that Series, or such other amount as the General Partner may permit. The General Partner may change the initial minimum investment requirement at any time.

(b) The Partnership may accept additional contributions to the capital of a Series, subject to the minimum stated in the Series Supplement to that Series, at such times and in such amounts as the General Partner may permit, but no Limited Partner shall be obligated to make any additional capital contribution to the capital of a Series, subject to the provisions of Sections 3.5 and 3.6 and any contrary provision of the Act. The General Partner may change the additional minimum investment requirement at any time.

(c) The General Partner shall make a capital contribution to the capital of a Series on the Commencement Date of such Series in such amount as the General Partner shall determine and as set forth in the books and records of the Partnership.

(d) Except as otherwise permitted by the General Partner, (i) initial or additional capital contributions to the capital of a Series by each Partner shall be payable in cash and in one installment, (ii) initial contributions shall be due prior to the effective date of admission of such Person as a Limited Partner of the Partnership, subject to the deadlines stated in the Series Supplement to the applicable Series, and at such times as the General Partner may permit, and (iii) additional capital contributions shall be due prior to effective date of such additional subscription, subject to the deadlines stated in the Series Supplement to the applicable Series, and at such times as the General Partner may permit.

### 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on its capital contribution to the capital of a Series.

(b) No Partner shall have the right to the return of any capital contribution to the capital of a Series except (i) upon withdrawal of such Partner pursuant to Section 5.5 from such Series or (ii) upon the liquidation of such Series or the dissolution of the Partnership pursuant to Section 6.1. The entitlement to any such return shall be limited to the value of the Capital Account of the Partner with respect to such Series. The Partnership (and not the General Partner) shall be responsible for the return of any such amounts in accordance with this Agreement.

### 3.3 Capital Accounts

(a) The Partnership shall maintain a separate Capital Account for each Series of Interests held by a Partner (each, a **"Capital Account"**). The General Partner may, in its discretion, maintain a separate sub-account for such purposes as the General Partner may determine appropriate, including for recordkeeping, accounting or reporting or to otherwise give effect to the provisions of this Agreement. Each Capital Account shall reflect the aggregate sum of the balances in such Partner's Capital Account, including any Special Situations Investment Sub Accounts that relate to such Capital Account.

(b) Each Partner's Capital Account shall have an initial balance equal to the amount of any cash constituting such Partner's initial capital contribution to the capital of the relevant Series.

(c) Each Partner's Capital Account shall be increased by the amount of any cash constituting additional contributions by such Partner to the capital of the relevant Series permitted pursuant to Section 3.1.

(d) Each Partner's Capital Account shall be reduced by the amount of any cash and the net value of any property withdrawn by or distributed to such Partner from the relevant Series pursuant to Section 5.5 or 6.2 and such Partner's pro rata portion of expenses payable by the relevant Series or the Partnership pursuant to Section 4.3.

(e) Each Partner's Capital Account, including any related Special Situation Investment Sub-Accounts, shall be adjusted to reflect allocations and other changes in the value of such Partner's Capital Account, in the manner specified in the remaining provisions of this Article III.

(f) Any Interests held by the General Partner are held in connection with the creation or management of the Partnership. The return on such interests shall be computed in the same manner as the return on an Interest held by any other Partner. No Partner, including the General Partner, intends to sell such Interest to the public.

(g) Unless otherwise determined by the General Partner, all allocations with respect to Partners' Capital Accounts shall be made on a Series-by-Series basis and in proportion to their respective Series Percentages of the Partners.

### 3.4 Allocation of Net Profit and Net Loss

(a) Subject to Section 3.4(b), Section 3.8 and Section 3.9, as of the last day of each Accounting Period, any Net Profit or Net Loss for the Accounting Period shall be allocated among and credited to or debited against each Series and the Capital Accounts of the Partners therein

(including any Special Situation Investment Sub-Accounts) in proportion to their respective Series Percentages for the Accounting Period.

(b) Items of income, gain, loss, deduction, credit and expenses that relate to a Special Situation Investment will be allocated pursuant to Section 3.14.

(c) In the event the General Partner determines that, based upon tax or regulatory reasons, or any other reasons as to which the General Partner and any Limited Partner agree, such Partner should not participate in the Net Profits or Net Losses, if any, attributable to trading in any Security or type of Security or to any other transaction, the General Partner may allocate such Net Profits or Net Losses only to the Capital Accounts of Partners to whom such reasons do not apply. In addition, if for any of the reasons described above, the General Partner determines that a Partner should have no interest whatsoever in a particular Security, type of Security or transaction, the interests in such Security, type of Security or transaction may be set forth in a separate memorandum account in which only the Partners having an interest in such Security, type of Security or transaction shall have an interest and the Net Profits and Net Losses for each such memorandum account shall be separately calculated.

### 3.5 Allocation of Management Fees, Withholding Taxes and Certain Other Expenditures

(a) As of the first day of each calendar month (and in the case of any Limited Partner who makes a capital contribution as of any other date, as of the date of such capital contribution), each Limited Partner's share of the Management Fees for such calendar month or other period shall be debited against the Capital Account of such Limited Partner. In the event that any Limited Partner withdraws the full balance of its Capital Account other than amounts contained in any Special Situation Investment Sub-Account, the General Partner may establish reserves or holdbacks pursuant to Section 3.6 equal to the Management Fee estimated to accrue with respect to any Special Situation Investment Sub-Accounts, and the Investment Manager may debit such reserve account for the allocable portion of any Management Fee at the same times and in the same manner in which it debited such Limited Partner's Capital Account prior to withdrawal.

(b) Costs and expenses associated with the organization of the Partnership, including ordinary legal and accounting fees, printing costs, travel and out-of-pocket expenses and compliance with any applicable U.S. federal and state laws, except as otherwise determined by the General Partner, shall be amortized over a 60-month period for book accounting purposes.

(c) To the extent the General Partner or the Partnership is required by law (including under circumstances where the General Partner or the Partnership is unable to rely conclusively on any withholding certification provided by a Partner) to withhold or to make tax payments on behalf of or with respect to any Partner or Partners (or their partners, members, shareholders, and/or beneficial owners, as the case may be), including, without limitation, backup withholding, withholding under FATCA and/or withholding under any BBA provision, the General Partner or the Partnership may withhold such amounts and make such tax payments as so required. If the Partnership pays or incurs any withholding tax or other tax obligation (including under FATCA) or any BBA provision with respect to the share of Partnership income allocable or distributable to any Partner (or its partners, members, shareholders, and/or beneficial owners, as the case may be) with respect to a particular Series, then the General Partner, without limitation of any other rights

of the Partnership or the General Partner, shall cause the amount of such withholding tax or tax obligation to be debited against the Capital Account of such Partner as of the close of the Accounting Period during which the Partnership so withholds, pays or incurs such obligation. If the amount so withheld, paid or incurred of such taxes is greater than such Capital Account balance, then such Partner and any successor to such Partner's Interest shall pay to the Partnership as a contribution to the capital of the Partnership, within five Business Days after notification and demand by the General Partner, the amount of such excess. The General Partner shall not be obligated to apply for or obtain a reduction of or exemption from withholding tax on behalf of any Partner that may be eligible for such reduction or exemption. Each Limited Partner agrees to repay to the Partnership and the General Partner and each of the partners and former partners of the General Partner, any amount representing any liability for taxes, interest or penalties which may be asserted by reason of the failure to deduct and withhold tax on amounts distributable or allocable to such Limited Partner.

(d) Except as otherwise provided for in this Agreement, any expenditures payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be charged to only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments. Such charges shall be debited from the Capital Accounts of such Partners as of the close of the Accounting Period during which any such items were accrued by the Partnership.

### 3.6 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against Net Assets of a Series and Special Situation Investments, and proportionately against the Capital Accounts of the Partners for contingent liabilities or probable losses, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, may be charged or credited, as appropriate, to the Capital Accounts of those Persons who are Partners at the time when such reserve is created, increased, or decreased, as the case may be, or alternatively may be charged or credited to those Persons who were Partners at the time of the act or omission giving rise to the contingent liability for which the reserve was established by the General Partner.

(b) If the General Partner, in its sole discretion, determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then such amount may be proportionately charged or credited, as appropriate, to those Persons who were Partners during such prior period or periods.

(c) If any amount is to be charged or credited to a Person who is no longer a Partner, such amount must be paid by or to such Person, as the case may be, in cash, with interest at the Treasury Bill Rate in effect at that time from the date on which the General Partner determines that such charge or credit is required. In the case of a charge, the former Partner is obligated to pay the amount of the charge, plus interest as provided above, to the Partnership on demand; provided that (i) in no event is a former Partner obligated to make a payment exceeding the amount of its Capital Account at the time to which the charge relates, and (ii) no such demand may be made if the

applicable limitation period under the Act, if any, has expired. To the extent the Partnership fails to collect, in full, any amount required to be charged to such former Partner pursuant to paragraph (a) or (b) of this Section 3.6, whether due to the expiration of the applicable limitation period, if any, or for any other reason whatsoever, the deficiency may be charged proportionately to the Capital Accounts of the current Partners.

### 3.7 New Issues

Pursuant to certain rules of FINRA (**"New Issue Rules"**), members of FINRA are permitted to sell to the Partnership certain publicly-offered securities (**"Restricted Issues"**) only if the Capital Accounts of Partners connected with the securities industry or executive officers or directors of investment banking clients of underwriters (**"Restricted Capital Accounts"**) are not restricted from sharing a beneficial interest in such Restricted Issues in accordance with the provisions of the New Issue Rules. Notwithstanding the provisions of Section 3.4, if the Partnership chooses to invest in Restricted Issues, the Partnership will not allocate any items of income, gain, loss, deduction and credit that relate to investments in Restricted Issues to Restricted Capital Accounts except to the extent permitted by the New Issue Rules, and will instead allocate such items among the other Capital Accounts on a pro rata basis. To the extent the New Issue Rules permit certain Persons with Restricted Capital Accounts to participate in profits and losses from Restricted Issues, the General Partner shall allocate such profits and losses from Restricted Issues among such Restricted Capital Accounts on a pro rata basis or on such other basis that the General Partner reasonably determines ensures compliance with the New Issue Rules. To the extent consistent with the New Issue Rules, the General Partner shall determine when all Capital Accounts may participate in the Net Profit and Net Loss from any Restricted Issue. The General Partner shall value any Restricted Issue at such time at the then-current price of the security in the secondary market.

### 3.8 Allocation to Avoid Capital Account Deficits

To the extent that any debits pursuant to this Article III would reduce the balance of the Capital Account of any Limited Partner below zero, that portion of any such debits shall instead be allocated to the Capital Account of the General Partner. Any credits in any subsequent Accounting Period which would otherwise be allocable pursuant to this Article III to the Capital Account of any Limited Partner previously affected by the application of this Section 3.8 shall instead be allocated to the Capital Account of the General Partner in such amounts as are necessary to offset all previous debits attributable to such Limited Partner pursuant to this Section 3.8 not previously recovered.

### 3.9 Allocations for Income Tax Purposes

(a) Income Tax Allocations. Except as otherwise required by Code Section 704(c), items of income, gain, deduction, loss, or credit that are recognized for income tax purposes in each Fiscal Year shall be allocated among the Partners of each Series, General and Limited, in such manner as to reflect equitably amounts credited to or debited against each Partner's Capital Account, whether in such Fiscal Year or in prior Fiscal Years. To this end, the Partnership shall establish and maintain records which shall show the extent to which the Capital Account of each Partner shall, as of the last day of each Fiscal Year, comprise amounts that have not been reflected

in the taxable income of such Partner. To the extent deemed by the General Partner to be feasible and equitable, taxable income and gains in each Fiscal Year shall be allocated among the Partners who have enjoyed the related credits to their Capital Accounts, and items of deduction, loss and credit in each Fiscal Year shall be allocated among the Partners who have borne the burden of the related debits to their Capital Accounts.

(b) Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required under Treasury Regulation Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations; provided, in the event that an adjustment to the book value of Partnership property is made as a result of an adjustment pursuant to Section 734(b) of the Code, items of income, gain, loss, or deduction, as computed for book and tax purposes, shall be specially allocated among the Partners so that the effect of any such adjustment shall benefit (or be borne by) the Partner(s) receiving the distribution which caused such adjustment.

(c) Positive Basis Allocation. If a Series realizes capital gains (including short-term capital gains) for U.S. federal income tax purposes (**"Gains"**) for any fiscal year during or as of the end of which one or more Positive Basis Partners withdraw from such Series pursuant to Section 5.5, the General Partner may elect to allocate such Gains as follows: (i) to allocate such Gains among such Positive Basis Partners, pro rata in proportion to the respective Positive Basis of each such Positive Basis Partner, until either the full amount of such Gains shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated and (ii) to allocate any Gains not so allocated to Positive Basis Partners to the other Partners of such Series in such manner as shall equitably reflect the amounts credited to such Partners' Capital Accounts pursuant to Section 3.4.

(d) Negative Basis Allocation. If a Series realizes capital losses (including long-term capital losses) for U.S. federal income tax purposes (**"Losses"**) for any fiscal year during or as of the end of which one or more Negative Basis Partners withdraw from such Series pursuant to Section 5.5, the General Partner may elect to allocate such Losses as follows: (i) to allocate such Losses among such Negative Basis Partners, pro rata in proportion to the respective Negative Basis of each such Negative Basis Partner, until either the full amount of such Losses shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated and (ii) to allocate any Losses not so allocated to Negative Basis Partners to the other Partners of such Series in such manner as shall equitably reflect the amounts allocated to such Partners' Capital Accounts pursuant to Section 3.4; provided, however, that if, following such Fiscal Year, the Series realizes net losses or items of loss and deduction from a sale of an Investment the proceeds of which are designated on the Series' books and records as being used to effect payment of all or part of the liquidating share of any Negative Basis Partner of such Series, there may be allocated to such Negative Basis Partner an amount of such net losses or items of loss or deduction equal to the amount, if any, by which its Negative Basis as of the effective date of its withdrawal exceeds the amount allocated to such Partner pursuant to clause (i) of this sentence.

### 3.10 Qualified Income Offset

In the event any Limited Partner unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)*(d)(4)*, 1.704-1(b)(2)(ii)*(d)(5)* or 1.704-1(b)(2)(ii)*(d)(6)* of the Regulations, items of Series income and gain will be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Limited Partner as quickly as possible, provided that an allocation pursuant to this Section 3.10 may be made only if and to the extent that such Limited Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article III have been tentatively made as if this Section 3.10 were not in this Agreement. This Section 3.10 is intended to constitute a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii), and must be interpreted consistently therewith.

### 3.11 Gross Income Allocation

In the event any Limited Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Limited Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5), each such Limited Partner will be specially allocated items of Series income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.11 may be made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been made as if Section 3.10 and this Section 3.11 were not in this Agreement.

### 3.12 Individual Partners' Tax Treatment

Each Partner agrees not to treat, on such Partner's corporate income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership or relevant Series.

### 3.13 Distributions

Subject to the discretion of the General Partner, distributions will not ordinarily be made. In the event a distribution is made, such distribution will be made pro-rata to each Partner's capital account.

### 3.14 Special Situation Investment Sub-Accounts

(a) Whenever a Series makes a Special Situation Investment or whenever an existing Investment Vehicle or Security is designated by the General Partner as a Special Situation Investment, a Special Situation Investment Sub-Account shall be established for each Partner who had a Series Percentage with respect to such Series at such time to reflect such Partner's pro rata share of all allocations and distributions attributable to transactions involving such Special Situation Investment, based on such Series Percentage. Thereafter, all credits and debits relating to such Special Situation Investment (including those specifically referred to below) shall be allocated among the Special Situation Investment Sub-Accounts for such Special Situation

Investment pro rata in accordance with each Partner's share of the cost basis of such Special Situation Investment.

(b) An amount equal to a Partner's share of the cost, in the case of Special Situation Investments so designated on the date of purchase, or carrying value on or about the date of designation, in the case of Special Situation Investments so designated after the date of purchase, shall be credited to each participating Partner's Special Situation Investment Sub-Account. In addition, any costs and expenses directly related to the acquisition, ownership or disposition of a Special Situation Investment shall be allocated exclusively among the Partners who have an interest therein and shall be reflected by means of a debit of such item from the Special Situation Investment Sub-Accounts.

(c) Upon the occurrence of a Recognition Event relating to a Special Situation Investment, the carrying value thereof shall be adjusted to reflect the fair value or the proceeds thereof, as the case may be, and the Special Situation Investment Sub-Accounts relating to such Special Situation Investment shall be closed.

(d) When a Partner's Special Situation Investment Sub-Account relating to a particular Special Situation Investment is closed, each Partner's applicable Series Percentage shall be adjusted accordingly. If a Recognition Event affects only a portion of the Investment Vehicle or other Security position constituting a single Special Situation Investment, the General Partner shall sub-divide each affected Special Situation Investment Sub-Account and shall close only the portion with respect to which the Recognition Event has occurred; provided, however, that the General Partner may postpone taking such action if it believes that one or more Recognition Events affecting the entire remaining Special Situation Investment are reasonably imminent.

(e) If, immediately after a Recognition Event, the applicable Series continues to hold the Investment Vehicle or other Security that constituted the Special Situation Investment (or a marketable Security that was exchanged for it), then for purposes of determining and allocating future profit or loss associated with that Security, the Partnership shall treat such Security as having been purchased at such time at a purchase price equal to the current fair market value.

# ARTICLE IV
# MANAGEMENT

## 4.1 Rights, Duties and Powers of the General Partner

(a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive power and responsibility, to the fullest extent permitted by the Act, (I) for all investment and investment management decisions to be undertaken on behalf of the Partnership (and any Series) and (II) for managing and administering the affairs of the Partnership (and any Series), and shall have the power and authority to do all things which the General Partner considers necessary or desirable to carry out its duties hereunder and to achieve the purposes of the Partnership (and any Series), including, without limitation, the power to:

(i) direct the formulation of investment policies and strategies for the Partnership utilizing a multi-manager strategy or other strategies as the General Partner determines whereby discrete segments of the Partnership's assets shall be committed from time to time by the General Partner to the discretionary management of one or more Portfolio Managers;

(ii) [not used];

(iii) identify the appropriate Portfolio Managers, assess the most appropriate Investment Vehicles that invest or trade in Securities, determine the assets to be committed to each Portfolio Manager and invest through such Portfolio Managers, which investments shall be subject in each case to the terms and conditions of the respective governing documents utilized by each Portfolio Manager;

(iv) authorize the payment of fees and the allocations of profits to Portfolio Managers pursuant to the respective governing documents and any rebates or reductions of fees or allocations which shall be for the benefit of the Partnership;

(v) invest cash balances in such instruments as the General Partner deems appropriate and to reinvest any income earned thereon in accordance with the investment program of the Partnership;

(vi) open, maintain and close accounts, including custodial and escrow accounts, with banks, including banks located outside the United States, and draw checks or other orders for the payment of monies;

(vii) open, maintain and close accounts, including margin and custodial accounts, with brokers, including brokers affiliated with the General Partner, which power shall include the authority to issue all instructions and authorizations to brokers regarding the assets of the Partnership therein;

(viii) liquidate Securities of Investment Vehicles that have been distributed to the Partnership in-kind;

(ix) make distributions in respect of a withdrawal in cash; and

(x) obtain financing and borrow money.

(b) Without limiting the foregoing generality of the General Partner's duties and powers hereunder, the General Partner shall have full power and authority, subject to the other terms and provisions of this Agreement, to execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Partner, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 4.1, including, without in any manner limiting the generality of the foregoing, (i) contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners, (ii) agreements with each Limited Partner in connection with their purchase of the Interests, including a subscription agreement wherein such Limited Partner agrees to be bound by the terms of this Agreement and (iii) any agreements to induce any Person to purchase an Interest, each without any further act, approval or vote of any Person.

(c) The General Partner shall have the power, without the approval of any Limited Partner, on behalf and in the name of the Partnership to execute and deliver the Investment Management Agreement delegating to the Investment Manager certain of the powers and authority vested by this Agreement in the General Partner as the General Partner and Investment Manager may agree. The General Partner has delegated (and the Investment Manager has agreed to assume) its rights and responsibilities with respect to the operation of the Partnership to the Investment Manager, to serve as the commodity pool operator of the Partnership. The Investment Manager is registered as a commodity pool operator with the Commodity Futures Trading Commission and is a member of the National Futures Association. The General Partner may terminate or replace the Investment Manager in accordance with the Investment Management Agreement and delegate to any other Person any power and authority vested in the General Partner pursuant to this Agreement that is not otherwise delegated to the Investment Manager.

(d) The General Partner may delegate to any other Person any power and authority vested in the General Partner pursuant to this Agreement.

(e) [not used.]

(f) The General Partner shall be authorized to cause the Partnership to borrow funds (including borrowings from Affiliates) and pledge assets of the Partnership when deemed appropriate by the General Partner, including for the purpose of making investments and distributions in respect of withdrawals.

(g) Every power vested in the General Partner pursuant to this Agreement and any decision or determination that it is permitted to make is to be construed as a power to act (or not to act) in its sole and absolute discretion, except as otherwise expressly provided herein, and the General Partner shall be entitled to consider in making such decisions or determinations its own interests.

No provision of this Agreement is to be construed to require the General Partner to violate the Act, or any other law, regulation or rule of any self-regulatory organization. Notwithstanding any other provision of this Agreement, whenever in this Agreement the General Partner is permitted or required to make a decision in its "good faith" or under another expressed standard, the General Partner must act under such express standard and will not be subject to any other or different standards.

(h) Each Limited Partner shall deliver to the General Partner, upon a reasonable request, (i) an affidavit or certificate in form satisfactory to the General Partner that is sufficient to establish that the applicable Partner (and its partners, members, and/or beneficial owners, as the case may be) is not subject to withholding under the provisions of any U.S. federal, state, local, non-U.S. or other tax laws, or with respect to such Partner's tax status under such laws, and (ii) any information or documentation prescribed under FATCA or as may be necessary for the Partnership to comply with its obligations under FATCA. Each Limited Partner shall reasonably cooperate with the General Partner in connection with any tax audit of the Partnership, any Series, or any existing or former investment.

### 4.2 Compensation of the Investment Manager

As compensation for its services to each Series, the Investment Manager (or its Affiliates) shall be entitled to receive from each such Series all of the Management Fees. The General Partner shall not be entitled to any compensation for its services.

### 4.3 Expenses

(a) Except as set forth in Section 4.3(b) and Section 4.3(d), the General Partner and the Investment Manager shall bear their own operating and overhead expenses attributable to the management of the Partnership (such as salaries, bonuses, rent, office and administrative expenses, and depreciation and amortization). The Partnership will not have its own separate employees or office, and, except as set forth below, will not reimburse the General Partner or Investment Manager for salaries, office rent and other general overhead costs of the General Partner or Investment Manager.

(b) Unless otherwise specified herein, each Series pays all costs and expenses arising in connection with its organization and the offering of interests in such Series as well as its pro rata portion of all costs and expenses arising in connection with the organization of the Partnership, including the Partnership's ordinary administrative and operating expenses. Such expenses payable by each Series include, without limitation:

(i) all costs and expenses directly related to investments or prospective investments of the Partnership or the Series', including fees of professional advisors, consultants and finders relating to investments or prospective investments, brokerage commissions and other transaction costs, expenses related to proxies and underwriting, interest and commitment fees on debit balances or borrowings, custody fees;

(ii) any withholding, transfer or other taxes imposed on the Partnership or any of its Partners;

(iii) any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any U.S. federal, state or local laws (including all allocable fees and costs of maintaining the Partnership's affiliated investment adviser registration and costs and fees associated with the preparation and filing of required regulatory filings such as Forms PF and PQR);

(iv) to the extent permitted by applicable law, and subject to Section 4.6, legal fees and costs (including settlement costs) arising in connection with litigation or regulatory investigation instituted against the Partnership, any Series, the Investment Manager or the General Partner in its capacity as such and other extraordinary expenses;

(v) the cost of the audit of the Partnership's or the Series' financial statements and the preparation of their tax returns (including with respect to FATCA compliance);

(vi) the fees and expenses for financial and tax accounting and reporting services, and administrative services, on behalf of the Partnership and each Series, including reimbursement of the Investment Manager and its Affiliates for Affiliate Services;

(vii) the fees and expenses of the Partnership's or the Series' administration and operation;

(viii) the fees and expenses of the Partnership's or the Series' counsel in connection with advice directly relating to their legal affairs, including expenses incurred in respect of litigation involving the Partnership or a particular Series, subject to provision (iv) above;

(ix) the costs of any outside appraisers, accountants, attorneys or other professionals or consultants engaged by the General Partner or the Investment Manager as well as other expenses directly related to the Partnership's or the Series' investment program;

(x) specific expenses incurred in obtaining systems, research or data providers and other information utilized for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software;

(xi) the Management Fees;

(xii) each Series' pro rata share of the fees and expenses of Investment Vehicles;

(xiii) all costs and expenses associated with the organization of the Partnership, including ordinary legal and accounting fees, printing costs, travel and out-of-pocket expenses and compliance with any applicable U.S. federal and state laws, except as otherwise determined by the General Partner;

(xiv) all costs and expenses associated with the offering of Interests, including solicitation fees. Any fees charged to, or expenses incurred by the Investment Manager in

connection with such arrangements will not result in incremental expense to the Insurance Company Limited Partners;

(xv) the costs and expenses of holding any meetings of Partners;

(xvi) risk management and compliance expenses and the costs of any liability insurance, including errors and omissions insurance, directors' and officers' insurance, and fidelity bonds, obtained on behalf of the Partnership, the General Partner and/or the Investment Manager;

(xvii) all costs and expenses associated with reporting and providing information to existing and prospective Partners, including any expenses of the Investment Manager in obtaining licenses for data room software and administration system user licenses for the use of Limited Partners in obtaining offering documents or reports and submitting subscription and withdrawal documents; and

(xviii) any tax due from the Partnership or a Series (or any entities through which the Partnership or a Series invests) under Section 6225 of the Code that is allocable, as determined by the General Partner, to the Interest of a current Partner (whether or not the tax in question applies to a taxable period of the Partnership or a Series during which the current Partner held an Interest in the Partnership or a Series).

(c) Any of the above-listed expenses may be specially allocated among the Partners as provided elsewhere in this Agreement, including without limitation, Sections 3.5, 3.6 and 5.5. Expenses related to the segregated pool of assets associated with a particular Series or otherwise attributable to a particular Series will be borne by the related Series. If the General Partner or its Affiliate incurs any of the expenses mentioned in Section 4.3(b) above for the account of the Partnership and any other Managed Account, then the General Partner allocates such expense among the Partnership and each such Managed Account in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable. The General Partner may allocate certain expenses to a particular Series in its discretion.

(d) The General Partner may, to the extent that it otherwise would be entitled to engage a third party service provider at the expense of the Partnership or a Series, elect to have such services performed by employees of the Investment Manager (**"Ancillary Services"**), including, without limitation, legal, accounting, audit-related and compliance services, and, in such instances, the Partnership or Series will pay the Investment Manager for actual operating and overhead expenses incurred in the performance of such Ancillary Services; provided that in no case shall the Investment Manager be paid in excess of an amount which the General Partner has reasonably determined would otherwise have been charged to the Partnership or Series by a third party service provider at market rates for such services; provided further that, the General Partner may, in its sole discretion, absorb any or all of such expenses incurred on behalf of the Partnership or Series or have an Affiliate of the General Partner absorb such expenses on behalf of the Partnership or Series. Any payments made to the Investment Manager attributable to Ancillary Services will not offset the Management Fee, any incentive fee, or any other fee otherwise owed to the General Partner or the Investment Manager.

(e) Portfolio Managers may use "soft dollar" credits on transactions of Investment Vehicles for research, as well as for other services and products outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain non-research products and services.

### 4.4 Rights of Limited Partners

The Limited Partners shall take no part in the management, control or operation of the Partnership's business, and shall have no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law. Except as otherwise provided herein or required by law, a Limited Partner shall have no liability for the debts or obligations of the Partnership. Contract Owners participating in the segregated separate accounts have no right to communicate with or direct the investment policies or decisions of the General Partner, any administrator, or Investment Manager relating in any way to the Partnership. There is not, nor shall there be, a prearranged plan between the General Partner, any administrator, or Investment Manager and any Contract Owner relating to the investments of the Partnership.

### 4.5 Other Activities of Partners

(a) The General Partner shall not be required to devote its full time to the affairs of the Partnership or any Series of Interests, but shall devote such of its time to the business and affairs of the Partnership and each such Series as it shall determine in good faith, to be reasonably necessary to conduct the affairs of the Partnership (and each Series of Interests) for the benefit of the Partnership and the Partners.

(b) Each Partner acknowledges and agrees that any other Partner and any partner, director, officer, shareholder, member, Affiliate or employee of any other Partner, may engage in or possess an interest in other business ventures or commercial dealings of every kind and description, independently or with others, including, but not limited to, management of other accounts, investment in, or financing, acquisition and disposition of, Securities, investment and management counseling, brokerage services, serving as directors, officers, advisers or agents of other companies, partners of any partnership, or trustee of any trust, or entering into any other commercial arrangements, and will not be disqualified solely on the basis that any such activities may conflict with any interest of the parties with respect to the Partnership (or any Series). Without in any way limiting the foregoing, each Partner hereby acknowledges that, provided that such Persons act in good faith, taking into account the interest of the Partnership and that the General Partner exercises reasonable compliance oversight, (i) none of the Partners or their respective partners, directors, officers, shareholders, members, Affiliates or employees shall have any obligation or responsibility to disclose or refer any of the investment or other opportunities obtained through activities contemplated by this Section 4.5(b) to the General Partner or the Limited Partners, but may refer the same to any other party or keep such opportunities for their own benefit; and (ii) the Partners and their respective partners, directors, officers, shareholders, members, Affiliates and employees are hereby authorized to engage in activities contemplated by this Section 4.5(b) with, or to purchase, sell or otherwise deal or invest in Securities issued by, companies in which the General Partner might from time to time invest or be able to invest or otherwise have any interest on behalf of the Partnership (or any Series), without the consent or approval of the Partnership (or any Series) or any other Partner.

(c) The General Partner and its Affiliates shall act in a manner that each considers fair, reasonable and equitable in allocating investment opportunities to the Series of Interest of the Partnership, considering such factors as it considers appropriate, including but not limited to available cash, investment objectives, timing of subscriptions or withdrawals, tax profiles of investors within a Series, ability to attract new capital and availability of investment opportunities. When the General Partner determines that it would be appropriate for one or more Series to participate in an investment opportunity, the General Partner will seek to acquire and allocate partnership investments for the Series on an equitable basis.

(d) Each of the Partners hereby waives and covenants not to sue on the basis of any law (statutory, common law or otherwise) respecting the rights and obligations of the Partners inter se which is or may be inconsistent with this Section 4.5.

**4.6 Duty of Care; Indemnification**

(a) (i) The General Partner (which term shall include for the purpose of this Section 4.6 each partner, member, manager, director, officer, employee and, with the approval of the General Partner, agent of the General Partner or the general partner of the General Partner, their respective Affiliates and their respective executors, heirs, assigns, successors or other legal representatives) (ii) members of the Investment Manager, their respective Affiliates and their respective executors, heirs, assigns, successors or other legal representatives) (each an **"Indemnified Person"**), (iii) the Tax Matters Partner, and (iv) the Partnership Representative shall not be liable to the Partnership or to any of its Limited Partners for any loss or damage occasioned by any acts or omissions in the performance of its services under this Agreement, unless such loss or damage has occurred by reason of willful misconduct or gross negligence of such Indemnified Person or as otherwise required by law, and for losses due to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided that such broker or agent was selected, engaged or retained by the Partnership without gross negligence, provided further, however, that nothing in this Agreement shall be construed as waiving any legal rights or remedies which the Partnership may have under state or U.S. federal securities laws, as amended from time to time.

(b) Each Indemnified Person shall be indemnified to the fullest extent permitted by law by the Partnership (but not the Partners individually) against any cost, expense (including reasonable attorneys' fees), judgment or liability incurred by or imposed upon it in connection with any action, suit or proceeding (including any proceeding before any judicial, administrative or legislative body or agency) to which it may be made a party or otherwise be involved or with which it shall be threatened by reason of being or having been General Partner or its having provided services to the Partnership and/or the General Partner pursuant to this Agreement or the Investment Management Agreement; and for losses due to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided, however, that the Indemnified Person shall not be so indemnified to the extent such cost, expense, judgment or liability shall have been finally determined (i) in a non-appealable decision on the merits in any such action, suit or proceeding, or (ii) on a plea of nolo contendere, to have been incurred or suffered by the Indemnified Person solely by reason of willful misconduct or gross negligence by the Indemnified Person, or with respect to losses due to the negligence, dishonesty or bad faith of any broker or agent of the Partnership, provided that such broker or agent was selected, engaged or retained by the Partnership with gross negligence. The right to indemnification granted by this Section 4.6 shall

be in addition to any rights to which the Indemnified Person may otherwise be entitled and shall inure to the benefit of the successors or assigns of such Indemnified Person. The Partnership shall pay the expenses incurred by the Indemnified Person in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by the Indemnified Person to repay such payment if there shall be an adjudication or determination that it is not entitled to indemnification as provided herein. In (i) any suit brought by the Indemnified Person to enforce a right to indemnification hereunder, it shall be a defense that the Indemnified Person or other Person claiming a right to indemnification hereunder has not met the applicable standard of conduct set forth in Section 4.6(a) or under applicable law, and (ii) in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking, the Partnership shall be entitled to recover such expenses upon a final adjudication that, the Indemnified Person or other Person claiming a right to indemnification hereunder has not met the applicable standard of conduct set forth in Section 4.6(a). In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnified Person or other Person claiming a right to indemnification is not entitled to be indemnified, or to an advancement of expenses, hereunder shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners) unless otherwise required by applicable law. Each Indemnified Person may not satisfy any right of indemnity or reimbursement granted in this Section 4.6 or to which it may be otherwise entitled except out of the assets of the Partnership, and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may obtain appropriate insurance on behalf of, and at the expense of, the Partnership to secure the Partnership's obligations hereunder. Each Indemnified Person shall be deemed a third-party beneficiary (to the extent not a direct party hereto) of this Agreement and, in particular, the provisions of this Section 4.6. The General Partner and/or the Investment Manager may enter into agreements on behalf of the Partnership with an Indemnified Person to provide an indemnity to the same extent provided in this Section 4.6.

(c) Nothing in this Agreement is to be construed as to provide for the indemnification of an Indemnified Person for any liability (including liability under U.S. federal securities laws) to the extent that such indemnification would be in violation of applicable law but is to be construed so as to effectuate this Section 4.6 to the fullest extent permitted by law.

(d) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any Partner, an Indemnified Person acting under this Agreement shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person. The General Partner may consult with legal counsel and accountants selected by it and any act or omission suffered or taken by it on behalf of the Partnership or in furtherance of the interests of the Partnership in good faith in reasonable reliance upon and in accordance with the advice of such counsel or accountants shall be full justification for any such act or omission, and the General Partner shall be fully protected in so acting or omitting to act, provided such counsel or accountants were selected and monitored without gross negligence.

(e) To the extent that a tax liability imposed under Section 6225 of the Code relates to a former Partner that has sold, assigned, pledged or otherwise transferred its interest in the Partnership or a Series, such former Partner shall indemnify the Partnership or a Series for its allocable portion of such tax, unless such indemnity is waived by the General Partner in its sole discretion. Each Partner acknowledges that, notwithstanding the sale, assignment, pledge or other transfer of all or any portion of its interest in the Partnership or a Series, it may remain liable, pursuant to this Section 4.6(d), for tax liabilities with respect to its allocable share of income and gain of the Partnership or a Series for the Partnership's or a Series' taxable years (or portions thereof) prior to such sale, assignment, pledge or other transfer, as applicable, under Section 6225 of the Code.

(f) The Investment Manager will invest a Series' capital in an Investment Vehicle managed by the Investment Manager or its Affiliates. The Investment Manager and its Affiliates will not waive, reduce or rebate any management fees with respect to a Series' investment in such Affiliated Investment Vehicle and therefore the Investment Manager and its Affiliates will receive dual management fees from Limited Partners in such Series.

## ARTICLE V
## ADMISSIONS, TRANSFERS AND WITHDRAWALS

### 5.1 Admission of Limited Partners

The General Partner may, at the beginning of each calendar month or at such other times as the General Partner may determine without advance notice to or consent from the Limited Partners, (i) admit any Eligible Investor who shall execute this Agreement or any other writing evidencing the intent of such Person to become a Limited Partner or (ii) reject any subscriptions for Interests. Such admission shall be effective at the time designated by the General Partner.

### 5.2 Admission of Additional General Partners

(a) The General Partner may admit one or more Persons to the Partnership as additional general partners without the consent of the Limited Partners. No additional general partner shall be added unless such additional general partner agrees to be bound by all of the terms of this Agreement or if adding such additional general partner would have any of the effects described in clauses (i) through (iv) of Section 5.3(c) herein.

(b) Additionally, any Person to whom the General Partner has transferred its general partnership interest in accordance with Section 5.4 shall be admitted to the Partnership as a substitute General Partner without the consent of the Limited Partners.

### 5.3 Transfer of Interests of Limited Partners

(a) Each Limited Partner agrees with all other Partners that it will not make or attempt to make any Transfer of its Interest which will violate this Section 5.3. In the event of any attempted

Transfer of any Limited Partner's Interest in violation of the provisions of this Section 5.3, without limiting any other rights of the Partnership, the General Partner shall have the right to require the withdrawal of such Limited Partner's Interest from the applicable Series as provided by Section 5.5.

(b) No Transfer of any Limited Partner's Interest, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless such Transfer is to an Eligible Investor and the prior written consent of the General Partner has been obtained, which consent may be withheld for any reason or conditioned upon the receipt of any documentation by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 5.3 must also be satisfied.

(c) Without limiting the General Partner's discretion pursuant to the preceding paragraph, the General Partner expects to withhold consent to any Transfer of any Limited Partner's Interest, whether voluntary or involuntary, if the General Partner has reason to believe that such Transfer may:

(i) require registration of any Interest under any securities laws of the United States of America, any state thereof or any other jurisdiction;

(ii) subject the Partnership, the applicable Series or the General Partner to a requirement to register, or to additional disclosure or other requirements, under any securities or commodities laws of the United States of America, any state thereof or any other jurisdiction;

(iii) result in a termination of the Partnership or any Series for U.S. federal income tax purposes under Section 708(b)(1)(B) of the Code, or cause the Partnership or any Series to be treated as a "publicly traded partnership" for U.S. federal income tax purposes under Section 7704(b) of the Code;

(iv) result in the Partnership or the applicable Series being considered an investment company within the meaning of the Investment Company Act;

(v) result in a violation of any anti-money laundering rules or regulations applicable to the Partnership, the General Partner or the Investment Manager;

(vi) violate or be inconsistent with any representation or warranty made by the transferring Limited Partner at the time the Limited Partner subscribed to purchase an Interest; or

(vii) violate any other applicable law or regulation.

The transferring Limited Partner, or its legal representative, shall give the General Partner written notice before making any voluntary Transfer and after any involuntary Transfer and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the consequences referred to in clauses (i) through (vii) above. If any Transfer occurs by reason of the death of a Limited Partner or assignee, the notice may be given by the duly authorized representative of the estate of the

Limited Partner or assignee. The notice must be supported by proof of legal authority and valid assignment acceptable to the General Partner.

(d) In the event any Transfer permitted by this Section 5.3 shall result in multiple ownership of any Limited Partner's Interest, the General Partner may require one or more trustees or nominees to be designated to represent a portion of or the entire Interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferor as a Limited Partner had pursuant to the provisions of this Agreement.

(e) Subsequent to receipt of the consent of the General Partner (which consent may be withheld by the General Partner), an authorized transferee is entitled to the allocations and distributions attributable to the Interest transferred to such transferee and to Transfer such Interest in accordance with the terms of this Agreement; provided, however, that such transferee is not entitled to the other rights of a Limited Partner as a result of such Transfer until it becomes a substitute Limited Partner. No transferee, except with the consent of the General Partner (which consent may be withheld in its sole discretion), may become a substitute Limited Partner. If the General Partner withholds consent, a transferee will not have any of the rights of a Limited Partner, except that the transferee will be entitled to receive that share of capital or profits and to have the right of withdrawal to which its transferor would have been entitled and will remain subject to the other terms of this Agreement. A transferring Limited Partner remains liable to the Partnership as provided under applicable law regardless of whether its transferee becomes a substitute Limited Partner. Notwithstanding the above, the Partnership and the General Partner will incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of transfer has been received by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(f) Any other provision of this Agreement to the contrary notwithstanding, any successor to any Limited Partner's Interest is bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 5.3, the General Partner, in its sole discretion, may require the transferring Limited Partner to execute and acknowledge an instrument of transfer in form and substance satisfactory to the General Partner, and may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement. A transferee becomes a substitute Limited Partner and succeeds to the portion of the transferor's Capital Account relating to the Interest transferred effective upon the satisfaction of all of the conditions for such Transfer contained in this Section 5.3.

(g) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, in the absolute discretion of the General Partner, may, but is not required to, file an election under Section 754 of the Code and in accordance with the applicable Regulations, to cause the basis of the Partnership's assets to be adjusted for U.S. federal income tax purposes, as provided by Sections 734 or 743 of the Code.

(h) In the event of a Transfer at any time other than the end of a Fiscal Year, items of income, gain, loss, deduction or credit recognized by the Partnership for U.S. federal income tax purposes shall be allocated between the transferring parties, as determined by the General Partner,

using any permissible method under Code Section 706(d) and the Regulations thereunder. To the extent the transferring parties have given the General Partner written notice prior to the consent by the General Partner pursuant to Section 5.3(c) of their agreement to apply a particular and reasonable method, then the General Partner may elect to use such method. The transferring parties agree to reimburse the General Partner and the Partnership for any incidental accounting fees and other expenses incurred by the General Partner and the Partnership in making allocations pursuant to this Section 5.3(h).

### 5.4 Transfer of Interest of the General Partner

(a) The General Partner may not transfer its Interest other than (i) pursuant to Section 5.4(b), (ii) pursuant to a transaction not deemed to involve an assignment of its investment management obligations within the meaning of the United States Investment Advisers Act of 1940, as amended, or (iii) with the approval of a Majority of Limited Partners. By executing this Agreement, each Limited Partner is deemed to have consented to any such transfer permitted by clause (ii) of the preceding sentence.

(b) Notwithstanding Section 5.4(a), the General Partner may transfer its Interest to any entity managed and controlled by it or its general partner without the consent of the Limited Partners, and the transferee will be admitted to the Partnership as a substitute General Partner in accordance with Section 5.2(b). The General Partner must notify the Limited Partners of any transfer pursuant to this Section 5.4(b).

### 5.5 Withdrawal of Interests of Partners

(a) The Interest of a Partner may not be withdrawn from the applicable Series prior to its dissolution except as provided in this Section 5.5 and the relevant Series Supplement.

(b) Certain of the terms pursuant to which each Limited Partner may exercise withdrawal rights as provided in this Section 5.5 are contained in the Series Supplement. The terms of each such Series Supplement is deemed to modify and/or supplement this Section 5.5 as applicable to each Limited Partner, respectively.

(c) The General Partner may, in its sole discretion, permit withdrawals under other circumstances and conditions, provided, however, that prior to any such other withdrawal, the General Partner shall consult with counsel to the Partnership to ensure that such withdrawal will not cause the Partnership or a Series to be treated as a "publicly traded partnership" taxable as a corporation. To the extent a Limited Partner notifies the General Partner of its intent to withdraw all or a portion of its Capital Account relating to a withdrawing Contract Owner and later chooses not to withdraw such capital, any transaction costs incurred by the Partnership or General Partner shall be charged to such Limited Partner, unless the General Partner otherwise determines.

(d) Upon receipt by the General Partner of a Limited Partner's notice of intention to withdraw assets from the applicable Series, the General Partner shall have the discretion to manage such Series' assets in a manner which would provide for cash being available to satisfy such Limited Partner's request for withdrawal, but the General Partner shall be under no obligation to effect sales of such Series' assets if the General Partner determines that such transactions might be detrimental to the interest of the other Partners or that such transactions are not reasonably

practicable. Except as otherwise set forth in a Series Supplement, withdrawal payments shall be in cash. The General Partner will be entitled to withdraw an amount equal to any applicable Management Fees at the same time and in the same form as the distribution to the withdrawing Limited Partner. In addition, the General Partner may deduct from any withdrawal proceeds due to any Limited Partner pursuant to this Section 5.5 an amount representing the Partnership's actual or estimated expenses associated with processing the withdrawal and an amount representing a withdrawing Limited Partner's pro rata share of the estimated costs of a complete liquidation of the Partnership or the applicable Series. Any such withdrawal charge will be retained by the applicable Series for the benefit of other Limited Partners. In connection with a withdrawal date, and to the extent necessary to satisfy withdrawal requests, the General Partner shall liquidate a portion of the applicable Series' investments in Investment Vehicles at the earliest date permissible under the terms of each such investment. If a Series is unable to withdraw sufficient funds from the Investment Vehicles in which such Series' assets are invested in order to satisfy withdrawal requests, such Series shall pay withdrawal proceeds on the earliest practicable date following such withdrawal date that such funds are made available to such Series.

(e) In the case of a complete withdrawal, or a partial withdrawal that cannot be fully funded out of the relevant Capital Account other than assets in a Special Situation Investment Sub-Account, no settlements may occur with respect to any of such Limited Partner's Special Situation Investment Sub-Accounts until the occurrence of a Recognition Event with respect to any such Special Situation Investment (including those that occur after the scheduled payment date for the withdrawal). If the Recognition Event is a sale for cash, the settlement is funded in cash within thirty (30) calendar days after the Recognition Event (without interest). If the Recognition Event is not a sale for cash, the General Partner may effect the settlement either by making a distribution in kind of the Capital Account's ratable share of the relevant investment or by distributing the net proceeds derived from a sale of such securities or other available cash.

(f) The capital to be withdrawn by a Limited Partner shall not participate in new Special Situation Investments made after the receipt by the General Partner of such Limited Partner's notice of intention to withdraw all of its assets from the applicable Series.

(g) The General Partner may suspend or limit (i) the right of any Partner to withdraw, or receive withdrawal proceeds, from a Series and/or (ii) the valuation of a Series' Net Assets if it determines that such a suspension or limitation is determined to be necessary to comply with anti-money laundering regulations or other legal restrictions, or is otherwise warranted by extraordinary circumstances, including in circumstances where the General Partner is unable to fairly value such Series' assets due to extreme market conditions or for such other reasons or for such other periods as the General Partner may determine. The General Partner will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawal or distribution rights pursuant to this Section 5.5(e). The General Partner may allow any such Partners to rescind their withdrawal request to the extent of any portion thereof for which withdrawal proceeds have not yet been remitted. The General Partner may complete any withdrawals or distributions as of a date after the cause of any such suspension has ceased to exist to be specified by the General Partner as the effective date of withdrawal for all purposes of this Section 5.5 or at any other time.

(h) The General Partner may, by not less than one hundred twenty (120) days' prior written notice or other period specified in the applicable Series Supplement, require any Limited Partner's Interest to be withdrawn in part, including in part representing the Interests of a Partner held with respect to a specific Contract Owner or group of Contract Owners, or in its entirety from the applicable Series as of any month-end (or at any other time as may be required by law, including, but not limited to, for reasons relating to FATCA) and for the Limited Partner to cease to be a Limited Partner of the applicable Series (in the case of a withdrawal of a Limited Partner's Interest in its entirety) pursuant to this Section 5.5. The amount due to any such Partner required to withdraw from a Series shall be equal to the value of such Partner's Capital Account with respect to such Series as of the effective date of the withdrawal (net of any applicable charges). Settlements of such involuntary withdrawals will be made in the same manner as voluntary withdrawals.

(i) The right of any Partner to withdraw or of any Partner to have distributed an amount from its Capital Account pursuant to the provisions of this Section 5.5 is subject to the provision by the General Partner for all Partnership liabilities and for reserves for contingencies provided for in Section 3.6 herein.

(j) A withdrawing Partner shall not share in the income, gains and losses of the applicable Series or have any other rights as a Partner represented by such withdrawn interests after the effective date of the withdrawal except with respect to any Interest remaining in Special Situation Investments, or as provided in Section 3.6 herein.

(k) The Partnership may borrow funds in order to effect a withdrawal of all or a portion of a Limited Partner's Interest if the General Partner determines such action is in the best interests of the Partnership.

## ARTICLE VI
## DISSOLUTION AND LIQUIDATION

### 6.1 Dissolution of Partnership

(a) Subject to the Act, the Partnership will dissolve and its affairs must be wound up upon the earliest of:

(i) the written election of the General Partner, in its sole discretion, to dissolve the Partnership;

(ii) the occurrence of any event that results in the General Partner ceasing to be the general partner of the Partnership under the Act, provided that the Partnership will not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within ninety (90) days after the occurrence of such event, all of the Limited Partners

agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership;

(iii) at any time that there are no Limited Partners of the Partnership, unless the business of the Partnership is continued in accordance with the Act;

(iv) the entry of a decree of judicial dissolution under Section 17-802 of the Act; and

(v) any other event specified in the Act requiring the winding up or termination of a limited partnership.

(b) Except as provided in Section 6.1(a) or in the Act, the death, mental illness, dissolution, termination, liquidation, bankruptcy, reorganization, merger, sale of substantially all of the stock or assets of or other change in the ownership or nature of a Partner, the admission to the Partnership of a new General or Limited Partner, the withdrawal of a Partner from the Partnership, or the Transfer by a Partner of its Interest to a third party, does not cause the Partnership to dissolve.

(c) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action in court to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the Interests of all Partners. Accordingly, each Limited Partner hereby waives and renounces its right to such a court decree of dissolution or to seek the appointment by the court of a liquidator for the Partnership except as provided herein.

(d) A Series may be terminated on any date on which the General Partner shall elect to terminate such Series or upon the dissolution of the Partnership or as otherwise required under the Act. A Series may be terminated and its affairs would up without causing the dissolution of the Partnership.

### 6.2 Liquidation of Assets

(a) Upon dissolution of the Partnership pursuant to Section 6.1(a) or the termination of a Series pursuant to Section 6.1(d), the General Partner shall promptly liquidate the business and administrative affairs of the Partnership or the Series, as applicable, except that if the General Partner is unable to perform this function, a liquidator elected by a Majority of Limited Partners shall liquidate the business and administrative affairs of the Partnership or such Series. Net Profit and Net Loss attributable to any Special Situation Investment Sub-Accounts during the Accounting Periods which include the period of liquidation shall be allocated pursuant to Article III. The proceeds from liquidation shall be divided in the following manner, subject to the Act:

(i) the debts, liabilities and obligations of a Series, including any debts to the Partners as Partners, and the expenses of liquidation allocable to such Series (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of such Series' assets to the Partners has been completed, shall first

be satisfied (whether by payment or the making of reasonable provision for payment thereof); and

(ii) the Partners with an Interest in such Series shall next be paid liquidating distributions in cash pro rata in accordance with, and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III to reflect allocations for the Accounting Period ending on the date of the distributions under this Section 6.2(a)(ii).

(b) Notwithstanding this Section 6.2 and the priorities set forth in the Act, the General Partner or liquidator may distribute ratably in-kind rather than in cash, upon dissolution, any assets of any Series; provided, however, that if any in-kind distribution is to be made, (i) the assets distributed in kind shall be valued pursuant to Section 7.2 as of the actual date of their distribution, and charged as so valued and distributed against amounts to be paid under Section 6.2(a) above and (ii) any gain or loss (as computed for book purposes) attributable to property distributed in-kind shall be included in the Net Profit or Net Loss attributable to the applicable Series for the Accounting Period of the applicable Series ending on the date of such distribution.

## ARTICLE VII
## ACCOUNTING AND VALUATION; BOOKS AND RECORDS; TAX MATTERS

### 7.1 Accounting and Reports

(a) Each Series may adopt for tax accounting purposes any accounting method which the General Partner shall decide is in the best interests of such Series and which is permissible for U.S. federal income tax purposes.

(b) As soon as practicable after the end of each Fiscal Year, the General Partner shall cause an audit of the financial statements of each Series as of the end of each such Fiscal Year to be made by a firm of independent accountants selected by the General Partner; and as soon as is practicable thereafter, but subject to Section 7.4, a copy of the set of financial statements prepared on a basis that uses generally accepted accounting principles as a guideline, with such adjustments thereto as the General Partner determines appropriate, including the report of such independent accountants, shall be furnished to each Partner.

(c) On a periodic basis, but not less frequently than monthly, but subject to Section 7.4, the General Partner shall arrange for the preparation and delivery to each Limited Partner of an interim report containing such information concerning the affairs of the relevant Series (which need not be audited or include any financial statements) as the General Partner considers appropriate.

(d) As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner such information as may be required to enable each Limited Partner properly to report for U.S. federal and state income tax purposes his distributive share of each Series item of income, gain, loss, deduction or credit for such year with respect to each Series of Interests held by such Limited Partner. The General Partner shall have discretion as to how to report a Series' items of income, gain, loss, deduction or credit on the Series' tax returns, and the Limited Partners shall treat such items consistently on their own tax returns.

(e) Within thirty (30) days after the end of each calendar quarter the Partnership intends to comply with the diversification requirements imposed by Section 817(h) of the Code, and the Treasury Regulations thereunder, and the General Partner will use its best efforts to cause the Partnership to so comply. These diversification requirements place certain limitations on the proportion of the assets of the Partnership that may be represented by any single investment. For these purposes, all securities of the same issuer are treated as a single investment and each U.S. Government agency or instrumentality is treated as a separate issuer, while a particular foreign government and its agencies, instrumentalities, and political subdivision will all be considered the same issuer. The diversification requirements generally provide that the Partnership will be considered adequately diversified only if (i) no more than 55% of the value of the total assets thereof is represented by any one investment, (ii) no more than 70% of the value of the total assets thereof is represented by any two investments, (iii) no more than 80% of the value of the total assets thereof is represented by any three investments, and (iv) no more than 90% of the value of the total assets thereof is represented by any four investments. Thus, under this general rule, the Partnership is required to invest a specified portion of its assets in at least five distinct investments. In general, the diversification requirement must be satisfied on the last day of each calendar quarter or within thirty (30) days thereafter. The General Partner has been made aware that information concerning the consequences of failure to meet the requirements of Section 817(h) is contained in the offering documents for the Contracts. The General Partner shall provide a quarterly certification of compliance with respect to the preceding diversification requirement. The General Partner shall cure any known diversification failure within thirty (30) days after the end of each quarter. Should the IRS clarify the accounting rules under Section 817(h) of the Code in such a way that it becomes unnecessary for the General Partner to represent that each Series is in compliance with Section 817(h) of the Code, the General Partner will no longer be required to make such representations under this Section 7.1.

### 7.2 Valuation of Partnership Assets and Interests

(a) The assets of the Partnership that are invested in Investment Vehicles shall be valued at fair value as determined by the Portfolio Manager of that Investment Vehicle.

(b) Assets of the Partnership that are invested pursuant to investment advisory agreements shall be valued by the General Partner at fair market value in a commercially reasonable manner.

(c) If the General Partner determines that the valuation of any Securities or other property pursuant to Sections 7.2(a) and (b) does not fairly represent fair value, the General Partner shall value such Securities or other property as it reasonably determines and shall set forth the basis of such valuation in writing in the Partnership's records.

(d) All other assets of the Partnership (except goodwill, which shall not be taken into account) shall be assigned such value as the General Partner may reasonably determine.

(e) All values assigned to Securities and other assets and the net worth of the Partnership as a whole determined pursuant to this Section 7.2 shall be final and conclusive as to all of the Partners.

(f) Liabilities shall be determined using generally accepted accounting principles, as a guideline, applied on a consistent basis, provided, however, that the General Partner in its discretion may provide reserves for estimated accrued expenses, liabilities or contingencies, including general reserves for unspecified contingencies (even if such reserves are not in accordance with generally accepted accounting principles). The Partnership and each Series of the Partnership may amortize its organizational expenses over a 60-month period commencing on the initial closing date of the Partnership or with the month of the initial funding of the Series.

### 7.3 Determinations by the General Partner

(a) All matters concerning the determination and allocation among the Partners of the amounts to be determined and allocated pursuant to Sections 3.4 through 3.9 hereof, including any taxes thereon and accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

### 7.4 Books and Records

(a) The General Partner shall keep books and records pertaining to the Partnership's affairs showing all of its assets and liabilities, receipts and disbursements, realized income, gains, deductions and losses, Partners' Capital Accounts and all transactions entered into by the Partnership. The General Partner shall afford to the Partnership's independent auditors reasonable access to such documents during customary business hours and shall permit the Partnership's auditors to make copies thereof or extracts therefrom at the expense of the Partnership.

(b) The General Partner shall establish such standards as it deems appropriate regarding the access of Limited Partners to the books and records of the Partnership and shall not be obligated to permit access by a Limited Partner to the name or address of any other Limited Partner.

### 7.5 Confidentiality

(a) Each Limited Partner agrees to keep confidential, and not to make any use of (other than for purposes reasonably related to its Interest or for purposes of filing such Limited Partner's tax returns) or disclose to any Person, any information or matter relating to the Partnership or any Series and their affairs and any information or matter related to any Investment Vehicle or Security (other than disclosure to such Limited Partner's directors, employees, agents, advisors, or representatives responsible for matters relating to the Partnership or any Series or to any other Person approved in writing by the General Partner (each such Person being hereinafter referred to as an **"Authorized Representative"**); provided that (i) such Limited Partner and its Authorized Representatives may make such disclosure to the extent that (x) the information to be disclosed is

publicly known at the time of proposed disclosure by such Limited Partner or Authorized Representative, (y) the information otherwise is or becomes legally known to such Limited Partner other than through disclosure by the Partnership, a Series or the General Partner, or (z) such disclosure is required by law or in response to any governmental agency request or in connection with an examination by any regulatory authorities: provided that such agency, regulatory authorities or association is aware of the confidential nature of the information disclosed, (ii) such Limited Partner and its Authorized Representatives may make such disclosure to its beneficial owners to the extent required under the terms of its arrangements with such beneficial owners; and (iii) each Limited Partner will be permitted, after written notice to the General Partner, to correct any false or misleading information which becomes public concerning such Limited Partner's relationship to the Partnership or the General Partner. Prior to making any disclosure required by law, each Limited Partner shall use its best efforts to notify the General Partner of such disclosure. Prior to any disclosure to any Authorized Representative or beneficial owner, each Limited Partner shall advise such Authorized Representative or beneficial owner of the obligations set forth in this Section 7.5(a) and each such Authorized Representative or beneficial owner shall agree to be bound by such obligations.

(b) Notwithstanding the foregoing, each Limited Partner (and each employee, representative, or other agent of the Limited Partner) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including opinions or other tax analysis) that are provided to the investor relating to such tax treatment and tax structure.

(c) The General Partner shall have the right to keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, any information, including the identity of the Partners or information regarding the Partners or Investment Vehicles, which the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner believes is not in the best interests of the Partnership or a particular Series or could damage the Partnership, such Series or their business or which the Partnership or such Series is required by law or agreement with a third party to keep confidential, except as set forth in clause (ii) of Section 7.5(a).

(d) The General Partner shall use reasonable efforts to keep confidential any information relating to a Limited Partner obtained by the General Partner in connection with or arising out of the Partnership which the Limited Partner requests be kept confidential (it being understood that the identity of any Limited Partner may be disclosed to any other Limited Partner).

(e) The General Partner may disclose to prospective investors such information relating to the Partnership or a Series as it believes in good faith will benefit the Partnership and facilitate investment in the Partnership by such prospective investors.

(f) The Investment Manager and a Person acting as a service provider to the Partnerships or any Series shall have the right to access all information belonging to the Partnership.

# ARTICLE VIII
# GENERAL PROVISIONS

## 8.1 Amendment of Partnership Agreement

(a) Except as otherwise provided in this Section 8.1, (i) this Agreement may be amended, in whole or in part, with the written consent of the General Partner and a Majority of Limited Partners and (ii) any Series Supplement may be amended, in whole or in part, with the written consent of the General Partner and a Majority of Limited Partners of the applicable Series (which approval may be obtained by negative consent affording the Limited Partners at least thirty (30) calendar days to object).

(b) Any amendment which would:

(i) increase the obligation of any Partner to make any contribution to the capital of a Series,

(ii) reduce the Capital Account of any Partner other than in accordance with Article III,

(iii) change the provisions of Sections 3.5 through 3.9, 5.5 or 6.2 to adversely alter any Partner's rights with respect to allocation of Net Profit or Net Loss or with respect to distributions and withdrawals, or

(iv) change the respective liabilities of the General Partner and the Limited Partners,

may only be made if the prior written consent of each Partner adversely affected thereby is obtained.

(c) Notwithstanding paragraphs (a) and (b) of this Section 8.1, this Agreement may be amended by the General Partner without the consent of the Limited Partners, at any time and without limitation, if any Limited Partner whose contractual rights as a Limited Partner would be materially and adversely changed by such amendment has an opportunity to withdraw from the Partnership as of a date determined by the General Partner that is not less than 45 days after the General Partner has furnished written notice of such amendment to each Limited Partner and that is prior to the effective date of the amendment. Furthermore, any amendment or supplement hereto in connection with the establishment of a new Series as contemplated pursuant to Section 2.11 or the admission and withdrawal of Limited Partners will not require notice or disclosure to, nor the approval of, the other Limited Partners; provided that the rights of any Limited Partner holding any other Series are not materially and adversely changed thereby.

(d) The General Partner may at any time without the consent of the other Partners:

(i) add to the representations, duties or obligations of the General Partner or surrender any right or power granted to the General Partner under this Agreement, for the benefit of the Limited Partners;

(ii) cure any ambiguity or correct or supplement any conflicting provisions of this Agreement;

(iii) change the name of the Partnership;

(iv) make any changes required by a governmental body or agency which is deemed to be for the benefit or protection of the Limited Partners; provided, that no such amendment referred to in this paragraph (iv) may be made unless such change (a) is for the benefit of, or not adverse to, the interests of Limited Partners, (b) does not affect the right of the General Partner to manage and control the Partnership's business, (c) does not affect the allocation of profits and losses among the Partners and (d) does not affect the limited liability of the Limited Partners;

(v) amend this Agreement to reflect a change in the identity of the General Partner;

(vi) amend this Agreement (other than with respect to the matters set forth in Section 8.1(b)) to effect compliance with any applicable laws, administrative actions with which the General Partner, the Partnership or a Series is legally required to comply or regulations (including, without limitation, the Investment Company Act, the Investment Advisers Act of 1940, as amended and the Code);

(vii) amend this Agreement to reflect the creation and terms of any new Series;

(viii) make any amendment which does not materially and adversely affect any Limited Partner; and

(ix) restate this Agreement together with any amendments hereto which have been duly adopted in accordance herewith to incorporate such amendments in a single, integrated document.

(e) The General Partner shall have the authority to agree with a Limited Partner to waive or modify the application of any provision of this Agreement with respect to such Limited Partner, including, without limitation, with respect to withdrawals and the Management Fee without obtaining the consent of any other Limited Partner (other than a Limited Partner whose rights as a Limited Partner pursuant to this Agreement would be materially and adversely changed by such waiver or modification). Any such waiver or modification may be evidenced by a supplement to this Agreement, or a "side letter" or other document, and the form thereof shall not impair its binding effect as if incorporated in this Agreement.

**8.2 Special Power of Attorney**

(a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner (and each of its members, successors and permitted assigns), with full power of substitution, the

true and lawful representative and attorney-in-fact of, and in the name, place and stead of, such Partner with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish all such instruments, documents and certificates, including without limitation, this Agreement and the Certificate and any amendments thereto, which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the United States of America, the States of Delaware or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a series limited partnership or to effect the dissolution or termination of the Partnership.

(b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without its consent. If an amendment of the Certificate or this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such amendment or action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent dissolution, termination, or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive the delivery of an assignment by a Limited Partner of the whole or any portion of its interest in the Partnership, except that where the assignee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power-of-attorney given by the assignor shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

**8.3 Notices**

Notices which may be or are required to be given under this Agreement by any party to another shall be given by hand delivery, transmitted by facsimile, transmitted electronically to an address that has been previously provided or verified through another form of notice or sent by registered or certified mail, return receipt requested or internationally recognized courier service, and shall be addressed to the respective parties hereto at their addresses as set forth on the register of Partners maintained by the General Partner or to such other addresses, facsimile numbers or electronic addresses as may be designated by any party hereto by notice addressed to (i) the General Partner, in the case of notice given by any Limited Partner, and (ii) each of the Limited Partners, in the case of notice given by the General Partner. Notices shall be deemed to have been

given (i) when delivered by hand, transmitted by facsimile or transmitted electronically or (ii) on the date indicated as the date of receipt on the return receipt when delivered by mail or courier service.

### 8.4 Agreement Binding Upon Successors and Assigns; Delegation

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as provided in Sections 4.1(c), 5.3 and 5.4, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms of such Sections shall be void ab initio.

### 8.5 Governing Law; Jurisdiction

This Agreement is, and the rights of the Partners hereunder are, governed by and shall be construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rule thereof. The parties hereby consent to exclusive jurisdiction and venue for any action arising out of this Agreement in the Delaware Court of Chancery. Each Partner consents to service of process in any action or proceeding involving the Partnership by the mailing thereof by registered or certified mail, postage prepaid, to such Partner's mailing address set forth in the register of Partners maintained by the General Partner.

### 8.6 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Except for the rights of the Indemnified Persons hereunder, this Agreement is not intended for the benefit of non-Partner creditors of the Partnership and no rights are granted to non-Partner creditors of the Partnership under this Agreement.

### 8.7 Consents

Except as set forth in Section 8.1(c), any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Partnership.

### 8.8 Merger and Consolidation; Subdivision

(a) The Partnership may merge or consolidate with or into one or more limited partnerships formed under the Act or other business entities pursuant to an agreement of merger or consolidation which has been approved in the manner contemplated by Section 17-211(b) of the Act. Use of the word "including" in this Agreement means in each case "without limitation," whether or not such term is explicitly stated.

(b) Notwithstanding anything to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 17-211(b) of the Act may, to the extent permitted by Section 17-211(g) of the Act, (i) effect any amendment to this

Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the authority to effect a transaction, without the consent of any Limited Partner, having the effect of splitting the Partnership into two separate entities, one of which is excluded from the definition of "investment company" pursuant to Section 3(c)(1) of the Investment Company Act and the other of which is so excluded pursuant to Section 3(c)(7) of the Investment Company Act, provided that (i) such transaction does not result in any material adverse change in the rights, privileges and obligations of any Limited Partner, (ii) each Limited Partner's indirect beneficial interest in the net assets of the surviving entity of which such Limited Partner is a beneficial owner is substantially similar to such indirect beneficial interest in the net assets of the Partnership immediately prior to such transaction and (iii) there is no material difference between the Partnership and each surviving entity other than investor eligibility requirements relating to the Investment Company Act exclusion on which the surviving entity relies.

**8.9 Miscellaneous**

(a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement.

(b) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.

(c) The Partners have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, the Partners intend that this Agreement be construed as if drafted jointly by the Partners and that no presumption or burden of proof arise favoring or disfavoring any Partner by virtue of the authorship of any of the provisions of this Agreement. Any reference to any U.S. federal, state, local or foreign statute or law is deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" means including without limitation. The word "or" is not exclusive. All words used in this Agreement are construed to be of such gender or number as the circumstances require.

(d) The Partners intend that each representation, warranty and covenant contained herein has independent significance. If any Partner has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that such Partner has not breached does not detract from or mitigate the fact that such Partner is in breach of the first representation, warranty or covenant.

(e) If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect.

Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

### 8.10 Certain Tax Matters

(a) By joining this Agreement, each Limited Partner appoints and designates the General Partner (i) as the "tax matters partner," within the meaning of Section 6231(a)(7) of the Code, and, (ii) for any BBA Effective Period, as the "partnership representative" within the meaning of Section 6223 of the Code (as applicable, the **"Tax Matters Partner"**), or, in each case, under any similar state or local law. If the "partnership representative" is an entity, the General Partner shall have the exclusive authority to appoint and designate the individual through whom such "partnership representative" shall act for all purposes under Subchapter C of Chapter 63 of the Internal Revenue Code and, if applicable, any similar state or local law. All references herein to the "partnership representative" or Tax Matters Partner shall include such "designated individual," unless the context requires otherwise. The Tax Matters Partner shall have any powers necessary to perform fully in such capacity, and shall be permitted to take any and all actions, to the extent permitted by law, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. The General Partner shall have the exclusive authority to appoint and designate the Investment Manager or an Affiliate of the General Partner or the Investment Manager, as a successor Tax Matters Partner for any BBA Effective Period. The Tax Matters Partner shall be reimbursed by the Partnership for all costs and expenses incurred by it, and to be indemnified by the Partnership with respect to any action brought against it, in its capacity as the Tax Matters Partner.

(b) The Limited Partners agree that any and all actions taken by the Tax Matters Partner shall be binding on the Partnership and all of the Limited Partners and the Limited Partners shall reasonably cooperate with the Partnership or General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Tax Matters Partner or as determined to be reasonably necessary by the Tax Matters Partners under any BBA provision.

(c) Each Limited Partner further agrees that such Limited Partner will not treat any Series item inconsistently on such Limited Partner's U.S. federal, state, local and/or non-U.S. tax returns or in any claim for a refund with the treatment of the item on the Series' tax returns, and will not independently act with respect to tax audits or tax litigation affecting a Series, unless the prior written consent of the General Partner has been obtained.

(d) The General Partner may in its sole discretion cause the Partnership (or any Series thereof) to make all elections not otherwise expressly provided for in this Agreement required or permitted to be made by the Partnership (or any Series thereof) under the Code and any state, local or non-U.S. tax laws.

(e) The obligations and covenants of the Limited Partners set forth in Sections 8.10(c), (d) and (g) hereof shall survive the Transfer or withdrawal by any Partner of the whole or any portion of its Interest, the death or legal disability of any Partner, and the dissolution or termination of the Partnership.

(f) Notwithstanding anything to the contrary in this Agreement, by joining this Agreement each Limited Partner agrees that this Agreement may be amended by the General Partner without the consent of the Limited Partners, at any time and without limitation, to enable the Partnership or the Tax Matters Partner to comply with the BBA, or to make any elections or take any other actions available thereunder.

(g) Each Partner acknowledges that the provisions of Section 3.5(c) will apply to any amounts paid or incurred by the Partnership (or a Series thereof) in respect of taxes (including, but not limited to, (i) withholding taxes, (ii) any amount attributable to an actual or imputed underpayment of taxes under any BBA provision, and (iii) any interest or penalties associated with the nonpayment or late payment of any of the foregoing taxes or amounts) imposed or assessed on, or collected from, or with respect to the income of, the Partnership or the General Partner with respect to the income allocable to or distributions to, or otherwise attributable to, such Partner.

### 8.11 Entire Agreement

This Agreement and the other agreements referred to herein constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements and understandings pertaining thereto. To the extent the terms of this Agreement conflict with, or are silent with respect to, any terms of any applicable Series Supplement, the terms of such Series Supplement will control. Notwithstanding the foregoing, it is acknowledged and agreed that, subject to Section 8.1, the General Partner, on its own behalf or on behalf of the Partnership and any Series, without the approval of any other Partner may enter into supplements hereto, a "side letter" or other document (**"Other Agreement"**) with any Limited Partner affecting the terms hereof in connection with such Limited Partner's investment in a Series. The parties hereto agree that any terms contained in an Other Agreement with a Limited Partner shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement or any other Agreement. The Partnership, the General Partner and each Limited Partner entering into an Other Agreement will keep such Other Agreement confidential as required (and as limited) by Section 7.5.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

*GENERAL PARTNER:*

SALI SELECT PARTNERS, LLC

By: DocuSigned by: EF2474FBD1E4424...

Name: Thomas A. Nieman
Title: Managing Principal

*LIMITED PARTNERS:*

By: SALI SELECT PARTNERS, LLC
as attorney-in-fact on behalf of the Limited Partners

By: DocuSigned by: EF2474FBD1E4424...

Name: Thomas A. Nieman
Title: Managing Principal

**SALI SELECT THIRD POINT SERIES**

**SERIES SUPPLEMENT TO**

**CONFIDENTIAL PRIVATE OFFERING MEMORANDUM**

**LIMITED PARTNERSHIP INTERESTS**

**OF**

**SALI SELECT SERIES, L.P.**

**August 31, 2022**
**Effective September 15, 2022**

**SALI Select Third Point Series**

**SALI Select Series, L.P.**

Supplement to Confidential Private Offering Memorandum

The information set forth herein (this **"Series Supplement"**) supplements, modifies, and amends the Confidential Private Offering Memorandum (the **"SALI Select Confidential Memorandum"**) relating to the offering of limited partnership interests (**"Interests"**) in SALI Select Series, L.P. (the **"Partnership"** or **"SALI Select Series"**).

**Any statement contained in this Series Supplement on a matter addressed in the SALI Select Confidential Memorandum is deemed to modify or supersede the latter for all purposes.** Capitalized terms used but not defined in this Series Supplement are used as defined in the SALI Select Confidential Memorandum. This Series Supplement is based upon information available as of August 31, 2022, except as otherwise set forth herein, and speaks only as of that date or as of any earlier date specified in this Series Supplement.

This Series Supplement relates to the offering of Interests in the SALI Select Third Point Series (the **"SALI Select Third Point Series"**) of the Partnership and contains a summary of certain terms and conditions applicable only to the SALI Select Third Point Series Interests and must be read in conjunction with the SALI Select Confidential Memorandum, including the notices contained therein as well as information contained in Section III of this Series Supplement "Certain Risk Factors Relating to the SALI Select Third Point Series Interests".

Additionally, because the purpose of the SALI Select Third Point Series is to invest substantially all of its assets in, and carry out its investment program through, Third Point Insurance Dedicated Fund LP (the **"Third Point IDF"**), this Series Supplement must be read in conjunction with the confidential private placement memorandum of the Third Point IDF, as it may be amended and supplemented from time to time (the **"Third Point IDF Memorandum"**) and the limited partnership agreement of the Third Point IDF, as it may be amended and supplemented from time to time (the **"Third Point IDF Partnership Agreement"** and together with the Third Point IDF Memorandum, the **"Third Point IDF Governing Documents"**). The SALI Select Third Point Series may also invest in cash and cash equivalents when SALI Fund Management, LLC (the **"Investment Manager"**) deems such investments appropriate for cash management purposes. To be fully informed about an investment in the SALI Select Third Point Series, an investor must understand the terms of an investment in the Third Point IDF. The description of the key terms of the Third Point IDF set out in this Series Supplement is only a summary of such terms and is qualified in its entirety by reference to, and does not purport to be a complete description of, the detailed provisions of the Third Point IDF Governing Documents, and therefore, prospective investors in the SALI Select Third Point Series are urged to carefully review the Third Point IDF Governing Documents, copies of which are attached as Exhibit A hereto. The Third Point IDF Governing Documents describe the material terms of an investment in the Third Point IDF. Aside from the differences described in this Series Supplement and the SALI Select Confidential Memorandum, an investment in the SALI Select Third Point Series will have similar terms and risks to an investment in the Third Point IDF. No representation is made that the terms of the Third Point IDF Governing Documents will not change following the date of this Series Supplement and without notice to the investors in the SALI Select Third Point Series. The Third Point IDF is an Underlying IDF as described in the SALI Select Confidential Memorandum.

This Series Supplement describes the principal terms that apply to an investment in the SALI Select Third Point Series and certain other information that relates specifically to the offering of Interests. Prospective investors in the SALI Select Third Point Series should note that certain terms applicable to an investor that holds an interest in the SALI Select Third Point Series differ from those applicable to an investor that directly holds an interest in the Third Point IDF, notwithstanding that the SALI Select Third Point Series holds an interest in the Third Point IDF. This is not an offering of limited partner interests in the Third Point IDF, although an investor should be fully informed about the Third Point IDF in making an investment decision.

This Series Supplement does not constitute an offer to or solicitation of any person or entity in any jurisdiction in which it is unlawful to make such an offer to or solicitation of such person or entity.

Prospective investors should contact the General Partner (as defined below) if they have questions or require additional information to evaluate the merits and risks associated with the ownership of Interests and should consult their own counsel, accountants and business advisors as to the legal, tax, and other related matters (including matters related to their Policy Owners (as defined below)) concerning the purchase of an Interest.

The statements set forth in this Series Supplement are made as of August 31, 2022, unless another date is expressly specified. This Series Supplement is subject to subsequent changes in applicable law. Neither the delivery of this Series Supplement nor the issuance of an Interest in the SALI Select Third Point Series at any time subsequent to the date hereof shall create any implication whatsoever that there has been no change in applicable law, the facts set forth herein, or the affairs of the Partnership or the SALI Select Third Point Series since the date hereof, or such other date as of which information is stated to be given.

This Series Supplement contains, or may contain, forward-looking statements, which give current expectations of future events. These are statements that do not strictly relate to historical or current facts. Such statements may use words such as "anticipate", "estimate", "expect", "project", "intent", "think", "believe", "will", "should", "continue", and other words of similar meaning in connection with any discussion of the Partnership's or the SALI Select Third Point Series' future actions and future performance. Any or all forward-looking statements in this Series Supplement may turn out to be incorrect. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Some of these factors and others are more fully described under the SALI Select Confidential Memorandum - "V. Certain Risk Factors and Potential Conflicts of Interest" and "III. Certain Risk Factors Relating to SALI Select Third Point Series Interests" hereunder. As a result of these factors, actual results may vary materially. Also, please note that other factors besides those listed above or under the SALI Select Confidential Memorandum - "V. Certain Risk Factors and Potential Conflicts of Interest" and "III. Certain Risk Factors Relating to SALI Select Third Point Series Interests" could also adversely affect the Partnership or the SALI Select Third Point Series. Although the assumptions underlying forward-looking statements contained herein are believed to be reasonable, any of the assumptions could be inaccurate and therefore there can be no assurance that the forward-looking statements included in this Series Supplement will prove to be accurate. In light of the significant uncertainties inherent in such forward-looking statements, the inclusion of such information should not be regarded as a representation that the objectives and plans discussed herein will be achieved. Further, no person undertakes any obligation to revise such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The information contained in the Series Supplement relating to the Third Point IDF was obtained from the Third Point IDF Memorandum prepared by Third Point Advisors L.L.C. and is for informational purposes only.

Policy Owners (as defined below) gain exposure to the SALI Select Third Point Series through the purchase of privately placed life insurance and annuity contracts, the proceeds of which are invested in the SALI Select Third Point Series through separate accounts of an insurance company (the "**Separate Accounts**"). None

of the Third Point IDF, Third Point Advisors L.L.C. or their respective affiliates (i) has participated in the offering of Policies (as defined below) supported by or invested in the Separate Account (as defined below), (ii) is responsible for such offering of Policies, the administration of the Separate Account or the participation of any Policy Owner in the Separate Account or (iii) has participated in the preparation of these materials and shall have no responsibility for the contents or use of this Series Supplement.

Policy Owners will not be limited partners of the Third Point IDF or the SALI Select Third Point Series, will not have any ownership interest in the Third Point IDF or the SALI Select Third Point Series, will have no voting rights in the Third Point IDF or the SALI Select Third Point Series, will have no rights under the Third Point IDF Governing Documents or the Series Supplement, will not be in privity with the Third Point IDF or the SALI Select Third Point Series, Third Point Advisors L.L.C., the General Partner, the Investment Manager, nor any of their respective affiliates and will have no standing or recourse against the Third Point IDF or the SALI Select Third Point Series, Third Point Advisors L.L.C., the General Partner, the Investment Manager, nor any of their respective affiliates. Potential Policy Owners should note that neither the Separate Account nor the Limited Partner nor its affiliates have the power to legally bind or commit the Third Point IDF, Third Point Advisors L.L.C. and any of its affiliates.

The Policy Owners have no right to consult with, directly or indirectly, or engage in communication with any general partner or investment manager with respect to their indirect investment in the Third Point IDF, the SALI Select Third Point Series, or any funds or other investment vehicles managed by Third Point Advisors L.L.C. or their respective affiliates that pursue an investment strategy substantially similar to the investment strategy pursued directly or indirectly by the Third Point IDF.

None of the SALI Select Series, the Third Point IDF, or any investment manager or general partner of either of the SALI Select Series or the Third Point IDF, will accept any instructions from the Policy Owners.

The rights of the Policy Owners are governed solely by such Policy Owners' contracts with the applicable Separate Account and not by the Third Point IDF Governing Documents (or any equivalent or similar document of the SALI Select Series).

THESE MATERIALS (INCLUDING THE THIRD POINT IDF GOVERNING DOCUMENTS) ARE CONFIDENTIAL AND FOR USE SOLELY BY PROSPECTIVE INVESTORS, THEIR PROFESSIONAL ADVISERS AND PROSPECTIVE POLICY OWNERS IN CONNECTION WITH EVALUATING WHETHER TO INVEST IN THE SALI SELECT THIRD POINT SERIES, OR ALLOCATE PREMIUMS TO THE SALI SELECT THIRD POINT SERIES.

**RISKS**

**THERE ARE SIGNIFICANT RISKS ASSOCIATED WITH AN INVESTMENT IN THE SALI SELECT THIRD POINT SERIES AND THE SALI SELECT THIRD POINT SERIES INTERESTS. INVESTMENT IN THE SALI SELECT THIRD POINT SERIES MAY NOT BE SUITABLE FOR ALL ELIGIBLE INVESTORS. IT IS INTENDED FOR SOPHISTICATED INVESTORS WHO CAN ACCEPT THE RISKS ASSOCIATED WITH SUCH AN INVESTMENT, INCLUDING A SUBSTANTIAL OR COMPLETE LOSS OF THEIR INVESTMENT. THERE CAN BE NO ASSURANCE THAT THE PARTNERSHIP OR THE SALI SELECT THIRD POINT SERIES WILL ACHIEVE THEIR INVESTMENT OBJECTIVES. EACH PROSPECTIVE ELIGIBLE INVESTOR SHOULD CAREFULLY REVIEW THIS SERIES SUPPLEMENT AND THE SALI SELECT CONFIDENTIAL MEMORANDUM, AND CAREFULLY CONSIDER THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SALI SELECT THIRD POINT SERIES BEFORE DECIDING TO INVEST. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE SALI SELECT CONFIDENTIAL MEMORANDUM - "V. CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF**

**INTEREST" AND "III. CERTAIN RISK FACTORS RELATING TO SALI SELECT THIRD POINT SERIES INTERESTS" HEREUNDER.**

## I. SUMMARY OF INVESTMENT TERMS

*To understand this investment opportunity, a prospective investor should read both the Third Point IDF Governing Documents and the following summary. The information in the Third Point IDF Governing Documents is important to a prospective investor's investment decision because: (i) the purpose of the SALI Select Third Point Series is to be a limited partner of the Third Point IDF and therefore the underlying investment opportunity is in the Third Point IDF; (ii) an investment in SALI Select Third Point Series will (aside from the differences described below) have similar terms to those applicable to a direct investment in the Third Point IDF; and (iii) many terms relevant to an investment in the SALI Select Third Point Series are set forth in the Third Point IDF Governing Documents and not in this Series Supplement. No representation is made that the terms of the Third Point IDF Governing Documents will not change following the date of this Series Supplement and without notice to investors in the SALI Select Third Point Series.*

*This Summary of Investment Terms (the* ***"Summary"****) summarizes certain terms of an investment in the SALI Select Third Point Series of the Partnership particular to the SALI Select Third Point Series, and must be read in conjunction with the SALI Select Confidential Memorandum.* ***Any statement in this Series Supplement on a matter addressed in the SALI Select Confidential Memorandum is deemed to modify or supersede the SALI Select Confidential Memorandum.*** *Further, this Series Supplement amends the limited partnership agreement of the Partnership, as amended, restated or supplemented from time to time (the* ***"Partnership Agreement"****), and the SALI Select Confidential Memorandum.*

***To the extent that the terms of this Series Supplement are inconsistent with the terms of the Partnership Agreement, the terms of this Series Supplement shall control.*** *Capitalized terms used but not defined in this Summary are used as defined in the SALI Select Confidential Memorandum.*

| | |
|---|---|
| **The Partnership** | SALI Select Series, L.P. is a Delaware series limited partnership (the **"Partnership"** or **"SALI Select Series"**). The Partnership's general partner, SALI Select Partners, LLC (the **"General Partner"**), exercises ultimate authority over the Partnership and is responsible for its day-to-day operations. SALI Fund Management, LLC (the **"Investment Manager"**) is responsible for investing the Partnership's assets.<br><br>For further details on the Partnership or the General Partner, please refer to the SALI Select Confidential Memorandum. |
| **The SALI Select Third Point Series Offering** | Interests in the SALI Select Third Point Series are being offered on the terms and subject to the conditions set forth in this Supplement and the SALI Confidential Memorandum only to (i) segregated accounts of "insurance companies" within the meaning of section 816(a) of the US Internal Revenue Code of 1986, as amended (the **"Code"**), provided that (a) any such insurance company maintains "variable contracts", as defined under section 817(d) of the Code and the US Treasury Regulations promulgated thereunder (the **"Treasury Regulations"**), in which all or part of the amounts received under the contract must be segregated from the general asset accounts of the insurance company pursuant to US federal or state law or the law of any other jurisdiction, and (b) the insurance company invests only assets held in such segregated asset accounts (the **"Separate Accounts"**) in the SALI Select Third Point Series (the **"Insurance Company Investors"**) and (ii) insurance dedicated funds whose sole |

investors are Insurance Company Investors (**"Eligible Insurance Dedicated Fund Investors"**, and together with Insurance Company Investors, the "**Eligible Investors"**).

The SALI Select Third Point Series has been formed for the sole purpose of, and seeks to achieve its investment objective by, investing substantially all of its assets in the Third Point IDF, an insurance-dedicated fund managed by Third Point LLC, a Delaware limited liability company (the **"Third Point IDF Investment Manager"**). Third Point Advisors L.L.C. (the "**Third Point IDF General Partner**"), a Delaware limited liability company and an affiliate of the Third Point IDF Investment Manager, serves as the general partner of the Third Point IDF. The SALI Select Third Point Series may also invest in cash and cash equivalents when the Investment Manager deems such investments appropriate for cash management purposes. Some of the Third Point IDF's Interests may be redeemed to pay fees and expenses of the SALI Select Third Point Series. The SALI Select Third Point Series will not make any other investments.

Unless otherwise noted herein and in the SALI Select Confidential Memorandum, the terms of the SALI Select Third Point Series will be the same as the terms of the Third Point IDF as set forth in the Third Point IDF Governing Documents, which are attached as Exhibit A hereto.

Eligible Investors invest on behalf of certain of their Separate Accounts, that fund certain variable life insurance and variable annuity contracts (collectively, the **"Policies"**) to be issued to policy owners (each a **"Policy Owner"**), and such Eligible Investors (on behalf of their Separate Accounts) will become limited partners in the SALI Select Third Point Series (**"Limited Partner"**). While an insurance company, not a Policy Owner, will become Limited Partner in the SALI Select Third Point Series, it is expected that Policy Owners will be able to allocate a portion of their investment held in the related Separate Account to the SALI Select Third Point Series as one of the investment options of the Policies.

For the avoidance of doubt, Policy Owners will not become investors or partners in the SALI Select Third Point Series or the Third Point IDF. While it is expected that Policy Owners will be able to allocate a portion of their investment held in the Separate Account to the SALI Select Third Point Series as one of the investment options of the Policies, no legal or other relationship will be established between Policy Owners and any of the SALI Select Third Point Series, the Partnership, the Third Point IDF, the General Partner, the Investment Manager, the Third Point IDF Investment Manager and/or the Third Point IDF General Partner.

**Policy Owners have no right to communicate with or to direct the investment policies or decisions of the SALI Select Third Point Series, the Partnership, the Third Point IDF, the General Partner, any administrator, the Third Point IDF Investment Manager, the Third Point IDF General Partner or the Investment Manager relating in any way to the SALI Select Third Point Series or the Third Point IDF, and none of them shall accept any communications from a Policy Owner.**

For purposes of this Supplement, the term Policy Owner includes: (i) any trustees of a Policy Owner; (ii) any Policy beneficiaries; (iii) any affiliated person (as this term is defined in Section 2(a)(3) of the Company Act (as defined below)) of the foregoing persons; (iv) the person(s) insured under the variable contract, or (v) any person that represents the Policy Owner with respect to the Policy.

The SALI Select Third Point Series may offer Interests to new Limited Partner on the first business day of each month, or at such other times as the General Partner may allow. A "**business day**" means any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in New York, New York.

**Classes of Interests**

The SALI Select Third Point Series is currently offering Class E and Class F Interests (each such class, and any subsequent class of Interests issued by the SALI Select Third Point Series, a **"Class"** and collectively, the **"Classes"**). For each Interest in a particular Class issued by the SALI Select Third Point Series to a Limited Partner, the SALI Select Third Point Series intends to subscribe for, and hold in the Capital Account of such Limited Partner, an interest in the Third Point IDF tranche bearing the same designation.

Class E Interests and Class F Interests (the **"Quarterly Liquidity Interests"**) offer quarterly liquidity, and are generally differentiated by their degree of participation in profits and losses from "new issues" via their respective exposures to Tranche E Interests and Tranche F Interests in the Third Point IDF (as further described in the Third Point IDF Memorandum).

New classes of Interests, having such rights, obligations, liabilities, designations and preferences as the General Partner may determine, may be offered to investors and existing classes may be closed from time to time as the General Partner may determine.

**J.P. Morgan's Services**

J.P. Morgan Securities LLC (including its private banking affiliates, collectively, **"J.P. Morgan"**) will act as a placement agent to the Third Point IDF, and the Third Point IDF Investment Manager will pay J.P. Morgan an ongoing fee of 1% (100 basis points) per annum of the net assets attributable to interests placed by J.P. Morgan. This ongoing fee

is paid directly or indirectly by the Third Point IDF Investment Manager out of its portion of the Third Point IDF's management fee and is not a separate, additional fee charged to investors of the SALI Select Third Point Series.

**Management Fee**

In consideration for the provision of services to the SALI Select Third Point Series, the SALI Select Third Point Series pays the Investment Manager a quarterly management fee (the **"Management Fee"**) calculated at an annual percentage rate of 0.07% of the aggregate net asset value of the SALI Select Third Point Series. The Management Fee for any calendar quarter (a **"Reference Quarter"**) is calculated on the net asset value of the SALI Select Third Point Series as of the close of business on the first calendar day of such Reference Quarter (a **"Fee Calculation Date"**), and is calculated separately for each Capital Account. It is payable quarterly in advance, as soon as practicable after determination of the net asset value of the SALI Select Third Point Series for that Fee Calculation Date (the **"Fee Payment Date"**). Calculations of the Management Fee are made (1) after the deduction of any fees and expenses paid by the SALI Select Third Point Series prior to the Reference Quarter, (2) after giving effect to any withdrawals made prior to the Reference Quarter, (3) after allocations of net profit and net loss are made for the Reference Quarter and (4) after giving effect to any capital contributions on the Fee Calculation Date. Immediately after payment of the Management Fee by the SALI Select Third Point Series on each Fee Payment Date, the General Partner will debit from the Capital Account(s) of each Limited Partner its pro-rata portion of the Management Fee. The General Partner has the authority to waive or modify the Management Fee with respect to any Limited Partner in its discretion.

**Operating Expenses**

The SALI Select Third Point Series pays all its ongoing administrative and operating expenses as incurred, and pays all other out-of-pocket and extraordinary expenses arising from the conduct of its business, including, without limitation the following: (a)fees, costs and expenses related to administration, accounting, audit, legal, and other professional services including (i) financial and tax accounting, (ii) bookkeeping and reporting services, (iii) administrative services provided by any person on behalf of the SALI Select Third Point Series (e.g., the administrator of the SALI Select Third Point Series), (iv) the cost of any audit of the SALI Select Third Point Series' financial statements, and (v) expenses of legal counsel and any other litigation or investigation involving SALI Select Third Point Series activities; (b) fees, costs and expenses (including legal fees and expenses) incurred for the SALI Select Third Point Series to comply with any applicable law, rule or regulation (including governmental filing fees and similar charges that may be incurred) (c) fees, costs and expenses (including

legal fees and expenses) of the Investment Manager incurred to comply with any applicable law, rule or regulation, including regulatory filings (e.g., Form ADV, Form PF, etc.) and fees, costs, and expenses of certain regulatory and compliance services provided to the General Partner, Investment Manager or by a third-party compliance services provider; (d) the costs associated with maintaining "directors and officers" or similar liability insurance, errors and omissions insurance and fidelity bonds, for the benefit of the SALI Select Third Point Series, the Investment Manager or any other indemnified person; (e) preparation of the SALI Select Third Point Series' financial statements, tax returns and related filings including partners' Schedule K-1s; (f) all costs, fees and expenses directly related to investments and prospective investments (whether or not consummated) of the SALI Select Third Point Series, including (i) fees and costs incurred in investing the SALI Select Third Point Series' assets; (ii) costs related to the purchase, sale, trade, custody, transfer, or insurance of SALI Select Third Point Series' assets; (iii) costs incurred in purchasing, selling, or trading securities; (iv) brokerage commissions and other execution and transaction costs (including trade errors that are not a result of the Investment Manager's gross negligence); (v) exchange, clearing and settlement charges; (vi) fees and expenses of any third-party providers of "back office" and "middle office" services relating to trade settlement; (vii) research and investment management expenses related to the SALI Select Third Point Series and its investments and prospective investments (whether or not consummated), which includes all due diligence related costs and expenses for conducting initial and ongoing due diligence investigations on current and prospective investments and travel-related costs incurred in conducting such initial and ongoing due diligence investigations of current and prospective investments; (viii) investment banking fees and expenses; (ix) custody fees; (x) fees of consultants and finders relating to investments or prospective investments, including payments due to unaffiliated advisers, sub-advisers and consultants; (xi) and the costs, fees and expenses of any appraisers, accountants, consultants or other experts engaged by the Investment Manager directly related to the SALI Select Third Point Series' investments; (g) travel-related costs incurred by the Investment Manager in conducting general investment and management operations related to the SALI Select Third Point Series outside of their respective business location (e.g., airfare, car rentals, taxi fares, meals, and lodging or accommodations at hotels); (h) any withholding, transfer or other taxes imposed on the SALI Select Third Point Series; (i) fees incurred in connection with the maintenance of bank or custodian accounts; (j) costs associated with reporting and providing information to existing and prospective partners, including any expenses of the Investment Manager in obtaining licenses for data room software and administration system user licenses for the use of Limited Partners

in obtaining offering documents or reports and submitting subscription and redemption documents; (k) external costs incurred in computing the value of the SALI Select Third Point Series' assets; (l) costs and expenses in the termination, dissolution and winding up of the SALI Select Third Point Series; or (m) organizational expenses, which includes the costs, fees and expenses associated with the organization of the SALI Select Third Point Series and the initial and ongoing offering of the Interests including legal and accounting fees, administration costs, printing costs, travel fees and expenses related to the negotiation of the SALI Select Third Point Series' offering, filing fees (including any Form D and "blue sky" filing fees) and other out-of-pocket expenses related to compliance with any federal and state laws related to the SALI Select Third Point Series' organization and offering of Interests.

The General Partner may, to the extent that it otherwise would be entitled to engage a third-party service provider at the expense of the SALI Select Third Point Series, elect to have such services performed by employees of the Investment Manager (the **"Ancillary Services"**), such as legal, accounting, audit-related, and compliance services. In such instances, the SALI Select Third Point Series will pay the Investment Manager for actual operating and overhead expenses incurred in the performance of such Ancillary Services; provided that in no case shall the Investment Manager be paid in excess of an amount which the General Partner has reasonably determined would otherwise have been charged SALI Select Third Point Series by a third-party service provider at market rates for such services. The General Partner has elected to have the Investment Manager perform accounting and audit-related Ancillary Services; the General Partner believes such arrangements provide the SALI Select Third Point Series with such accounting and audit-related services more effectively and at a better value to Limited Partners than would otherwise be achieved through the use of third-party providers charging market rates. Any payments received by the Investment Manager for Ancillary Services will not offset the Management Fee, or any other fee otherwise owed to the General Partner or the Investment Manager.

The SALI Select Third Point Series will also bear a portion of the administrative, operating and other out-of-pocket expenses of the Partnership including to the extent permitted by applicable law, legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Partnership, the Investment Manager or the General Partner in its capacity as such and other extraordinary expenses, except to the extent such a payment is otherwise prohibited by the Partnership Agreement or by law.

Please refer to the SALI Confidential Memorandum - "IV. Summary of Investment Terms – Other Partnership Expenses". The SALI Select Third Point Series will reimburse the Investment Manager for any of these expenses the Investment Manager pay.

**Third Point IDF Fees and Expenses**

In addition to the Management Fee charged by the Investment Manager, the Third Point IDF charges management, incentive and administrative fees and expenses. For a description of these fees and expenses, please see the Exhibit A and the Third Point IDF Governing Documents.

The SALI Select Third Point Series will bear its pro rata share of all ongoing costs and expenses of the Third Point IDF. Accordingly, each Limited Partner will bear its pro rata share of the portion of such expenses for which the SALI Select Third Point Series is responsible, in addition to the Management Fees and direct ongoing costs and expense of the SALI Select Third Point Series. Limited Partners will bear greater fees and expenses than if they were to make a direct investment in the Third Point IDF.

Expenses related to the segregated pool of assets associated with a particular tranche at the Third Point IDF level or otherwise attributable to a particular tranche at the Third Point IDF level will be borne by the related Class at the SALI Select Third Point Series level.

**Day Count Conventions**

For purposes of calculating fees which are chargeable on a quarterly basis, per annum rates described herein shall be divided by 4 and applied to each Reference Quarter equally without regard to the actual number of days elapsed. To the extent any quarterly fee is calculated as of a month-end day which is not the first day last day of a Reference Quarter, per annum rates described herein shall be divided by 12 and accrue on a calendar monthly basis equally without regard to the actual number of days elapsed.

## SUBSCRIPTIONS, WITHDRAWALS, AND DISTRIBUTIONS

**Minimum Subscriptions**

The minimum initial subscription (the "**Minimum Contribution**") by a Limited Partner on behalf of each capital account related to a Policy Owner for the Interests is $250,000 and the minimum additional subscription is $50,000, subject to change at the General Partner's discretion.

**Withdrawals**

All withdrawals are subject to the SALI Select Third Point Series' receipt of equivalent distributions from the Third Point IDF, and the conditions and limitations described in the Third Point IDF Governing Documents, which provide, among other things, that aggregate withdrawals from the Third Point IDF during any

calendar quarter will be limited, at the Third Point IDF General Partner's discretion, to 20% of the Third Point IDF's net asset value as of the last day of the calendar quarter. If withdrawal requests cannot be satisfied in full by the Third Point IDF, such Limited Partner's unfulfilled withdrawal request(s) on behalf of any of its Capital Accounts will be deferred until cash becomes available from the Third Point IDF.

Limited Partners may withdraw their Quarterly Liquidity Interests in the SALI Select Third Point Series, in whole or in part, as of the last day of any calendar quarter (on 75 days' prior written notice) (such dates being referred to as **"Quarterly Withdrawal Dates"**), or at such other times, with the consent of, and upon such terms of payment as may be approved or waived by the General Partner in its sole discretion. Partial withdrawals may only be made in amounts of $50,000 or greater, subject to waiver.

In the case of a partial withdrawal, payment of withdrawal proceeds will generally be made within 25 days following the requested Quarterly Withdrawal Date. In the case of a full withdrawal, payment of 95% of the estimated amount due (the "**Preliminary Payment**") will be paid within 25 days following the requested Quarterly Withdrawal Date, and within 15 days after the SALI Select Third Point Series auditors have completed the audit for the relevant Reference Year, the SALI Select Third Point Series will promptly pay the amount by which the balance due exceeds the amount previously paid (the **"Holdback Amount"**). No Management Fee will accrue or be payable to the Investment Manager, and no interest shall accrue or be payable to the Limited Partner, in respect of a Holdback Amount. The Preliminary Payment and Holdback Amount will be determined by the General Partner in good faith on the basis of the best information available at the relevant time; additional, withdrawing and/or remaining Limited Partners may bear the risk that the Holdback Amount may later prove to be insufficient, as described below under "III. Certain Risk Factors Relating to SALI Select Third Point Series Interests – Estimated Fair Values for Distributions and Subsequent Closing Investors". The General Partner may waive the holdback procedures in its sole discretion.

Withdrawal requests by a Limited Partner will be satisfied by cash.

To be effective, notices must be sent to the General Partner as described below under "IV. Subscriptions – Legal Notices and Investment Instructions."

**Key-Man Withdrawal Rights**

If at any time Mr. Loeb is no longer actively engaged in formulating the investment philosophy of the Third Point IDF Investment Manager, whether by death, disability, ceasing to directly or indirectly

control the Third Point IDF Investment Manager or the general partner of the Third Point IDF, or otherwise (a **"Key Person Event"**), the SALI Select Third Point Series will promptly notify all Limited Partners upon receiving notification from the Third Point IDF that a Key Person Event has occurred. Upon receipt of details from the Third Point IDF, the General Partner shall use all reasonable efforts to promptly notify the Limited Partners a date on which Limited Partners may withdraw their Interests following the Key Person Event (such withdrawal date, the **"Key Person Withdrawal Date,"** and the period from the Key Person Event to the Key Person Withdrawal Date being the **"Interim Period",** as both are described in the Third Point IDF Memorandum). During the Interim Period, a Limited Partner may request to withdraw any or all of its Interests in the SALI Select Third Point Series, upon at least 40 days prior written notice to the SALI Select Third Point Series, as of the Key Person Withdrawal Date. The distribution of such withdrawal proceeds will be made on the terms described above for regular withdrawals. The Third Point IDF may suspend regular withdrawals during the Interim Period so as to facilitate an orderly transition in the management of the Third Point IDF's affairs.

**Required Withdrawal**

Upon no less than 30 days' prior written notice, the General Partner may require any Limited Partner's Interest to be withdrawn in part or in its entirety from the SALI Select Third Point Series as of any month-end; *provided, however*, that the General Partner may require such a withdrawal on less (or no) notice and on a day other than a month-end, in each case, to comply with any laws and regulations (including anti-money laundering laws and regulations) applicable to the SALI Select Third Point Series, the General Partner, or the Investment Manager.

**Suspensions and Delays of Withdrawals, Key Man Withdrawals, and Required Withdrawals**

Withdrawals, Key Man Withdrawals, and/or Required Withdrawals may be suspended and/or payment of proceeds thereof may be delayed by the General Partner in its discretion if:

(i) any such withdrawal would result in a violation of a statute, rule, regulation, or governmental administrative policy of any U.S. federal or state, non-U.S. governmental authority, or self-regulatory organization applicable to the SALI Select Third Point Series, the Partnership, the General Partner or the Investment Manager;

(ii) any securities exchange or organized inter-dealer market on which a material portion of the SALI Select Third Point Series assets is regularly traded or quoted is closed (other than for holidays) or trading thereon has been suspended or restricted;

(iii) there exists any state of affairs as a result of which (A) disposal of a substantial part of the investments of the SALI Select Third Point Series would not be reasonably practicable or might prejudice the Limited Partners or (B) it is not practicable for the General Partner to accurately determine the value of SALI Select Third Point Series assets;

(iv) Third Point IDF suspends the right to, or the payment of proceeds due upon, withdrawal;

(v) Third Point IDF satisfies a withdrawal request by making an in-kind distribution; or

(vi) for such other reasons or for such other periods as the General Partner may in good faith determine.

The General Partner will use its commercially reasonable efforts to satisfy all Withdrawal requests from Limited Partners. In the event of a suspension or delay of payment proceeds, the General Partner will remit payment to Limited Partner(s) within 15 days upon such suspension and/or delay being lifted, provided the cash is available for distribution by the SALI Select Third Point Series.

**Distributions**

Subject to the withdrawal privilege described in "Withdrawals" above, dividends or other distributions will generally not be paid to Limited Partners. All earnings of the SALI Select Third Point Series will ordinarily be retained for reinvestment. The General Partner in its discretion may elect to make special distributions to the Limited Partners in proportion to their capital account balances at a time determined by the General Partner.

**OTHER TERMS**

**In-Kind Distributions by the Third Point IDF**

An in-kind distribution made to the SALI Select Third Point Series by the Third Point IDF may be classified, in the discretion of the General Partner, as a Special Situation Investment (defined below).

**Special Situation Investments**

There are no Special Situation Investments applicable to the SALI Select Third Point Series at this time. However, in the event the SALI Select Third Point Series receives a distribution in-kind from the Third Point IDF, the General Partner may determine, in its sole discretion, whether and when to classify the SALI Select Third Point Series' investment as a Special Situation Investment. On the date that an investment is designated as a Special Situation Investment by the General Partner each Limited Partner invested in the SALI Select Third Point Series at such time is allocated a pro rata interest in the Special Situation Investment, based on such Limited Partner's Series Percentage Interest (exclusive of Special Situation Investments) at such time. An amount equal to such Limited Partner's pro rata share

of the value of a Special Situation Investment is debited from such Limited Partner's Capital Account balance (exclusive of Special Situation Investments) and credited to a separate sub-account, maintained on a Limited Partner-by-Limited Partner basis, relating specifically to such Special Situation Investment (the **"Special Situation Investment Sub-Account"**). Each Policy Owner investing through a Limited Partner holding a Special Situation Investment Sub-Account will indirectly own a pro rata portion of such Special Situation Investment Sub-Account. The Special Situation Investment Sub-Accounts relating to a particular Special Situation Investment are closed out, and the associated profit or loss is determined and allocated, upon the occurrence of a Recognition Event relating to such Special Situation Investment. A **"Recognition Event"** means any of the following:

(a) a sale of the Special Situation Investment for cash;

(b) an exchange of the Special Situation Investment for marketable securities;

(c) an in-kind distribution of the Special Situation Investment to Limited Partners;

(d) at the discretion of the General Partner and if market quotations have become readily available for securities of the same class and series as the Special Situation Investment, the occurrence of all events necessary to permit a SALI Select Third Point Series to make unrestricted public resales of such Special Situation Investment in the principal market for which such quotations are available;

(e) a determination by the General Partner that the circumstances which resulted in classification as a Special Situation Investment no longer exist; or

(f) the liquidation of the relevant SALI Select Third Point Series' assets pursuant to the winding up and dissolution of the SALI Select Third Point Series.

The profit or loss relating to a Special Situation Investment is equal to the difference between the sales proceeds (in the case of a sale) or the fair market value (in the case of another Recognition Event) and the original cost of the Special Situation Investment. Appropriate adjustment is made for any expenses directly related to the Special Situation Investment and for any dividends or interest received with respect thereto. The profit or loss relating to a particular Special Situation Investment is allocated pro rata among each of the Limited Partners participating in such Special Situation Investment based on each such Limited Partner's Special Situation Investment Sub-

Account, with no allocation being made to any Limited Partner not having a Special Situation Investment Sub-Account relating to the particular Special Situation Investment. For the avoidance of doubt, a capital account of a Limited Partner does not participate in any Special Situation Investment that is initiated prior to the establishment of such capital account in the SALI Select Third Point Series. Additional capital contributions made following the classification of an asset as a Special Situation Investment also will not participate in such Special Situation Investment. Policy Owners investing through Limited Partners' capital accounts participating in a Special Situation Investment will be indirectly allocated a pro rata portion of such Special Situation Investment's profit or loss.

When a Special Situation Investment Sub-Account is closed, each Limited Partner's balance therein is combined with such Limited Partner's Capital Account, and each Limited Partner's percentage interest in the SALI Select Third Point Series will be adjusted accordingly. Indirectly, Policy Owners will accordingly have their pro rata balance in the Special Situation Investment Sub-Account combined with their pro rata portion of such Limited Partner's Capital Account, and each Policy Owner's indirect percentage interest in their Capital Account will be adjusted accordingly.

In the event that the General Partner elects to sell the Special Situation Investment, the General Partner may appoint a third party, which may be an affiliate of the General Partner, to sell or otherwise liquidate the Special Situation Investment as promptly as practicable under commercially reasonable terms. Such a sale may not immediately follow the designation of such in-kind distribution as a Special Situation Investment and there may not be a market for such asset.

The value of the Special Situation Investment may be volatile and may increase or decrease before such Special Situation Investments are sold. Limited Partners will incur transaction costs in connection with the sale of any such Special Situation Investment. It is possible that the amount of cash proceeds distributed to Limited Partners may be less than the value of the Special Situation Investment when such Special Situation Investment was distributed in-kind to the SALI Select Third Point Series, depending on the price at which such Special Situation Investment is sold. The Special Situation Investment will incur its share of any pro rata allocation of fees and expenses borne by such Limited Partners.

Special Situation Investments are likely to be illiquid. Limited Partners should be aware that the existence of such investments may adversely impact the liquidity of the SALI Select Third Point Series and/or its ability to meet withdrawal requests in a timely manner.

**Purchase of New Issues**

Class E Interests will participate in profits and losses from "new issues" via its underlying holding of Tranche E interests in the Third Point IDF. Class F Interests will be limited in their participating in "new issues". For further details, please refer to the Third Point IDF Memorandum.

Limited Partners will be obliged to furnish to the SALI Select Third Point Series such information as may be required to determine eligibility for participation in Class E or Class F Interests. If a Limited Partner fails or refuses to provide such required information to the Fund, he or she will be issued Class F Interests.

**Borrowing and Leverage**

The SALI Select Third Point Series may borrow funds for the purpose of satisfying withdrawals, bridging capital contributions to the Third Point IDF, seeking to enhance investment results as it may relate to cash management efficiencies, paying operating expenses and such other purposes as the General Partner may determine. The Third Point IDF has the power to use leverage and is expected to do so when deemed appropriate by the Third Point IDF General Partner.

**Limited Partner Agreements**

The Investment Manager, on its own behalf and/or on behalf of the SALI Select Third Point Series, may enter into an agreement with any investor to provide exceptions or departures from the provisions of the governing documents, including by not limited to the ability to change terms relating to liquidity or compensation.

The Third Point IDF may enter into agreements with certain of its limited partners. For a description, please see Exhibit A and the Third Point IDF Governing Documents.

## II. INVESTMENT MANDATE FOR THE SALI SELECT THIRD POINT SERIES

The SALI Select Third Point Series has been formed for the sole purpose and seeks to achieve its investment objective by investing substantially all of its assets in Third Point Insurance Dedicated Fund LP (the **"Third Point IDF"**). Some of SALI Select Third Point Series' assets will be held in cash and for cash management purposes. Interests may be redeemed in the Third Point IDF to pay fees and expenses of the SALI Select Third Point Series.

Please see the Third Point IDF Governing Documents referenced in Exhibit A of this Series Supplement.

## III. CERTAIN RISK FACTORS RELATING TO SALI SELECT THIRD POINT SERIES INTERESTS

**This section of the SALI Select Third Point Series Supplement must be read in conjunction with, and is an integral part of, Section V, "Certain Risk Factors and Potential Conflicts of Interest" of the SALI Select Confidential Memorandum AND "Risk Factors" of the Third Point IDF Memorandum.**

Prospective Limited Partners should carefully consider the risks involved in an investment in the SALI Select Third Point Series, including, without limitation, those discussed in the Third Point IDF Governing Documents attached as Exhibit A of this Series Supplement. Additional or new risks not addressed in the Third Point IDF Governing Documents may affect the SALI Select Third Point Series. The list of risk factors cannot be and is not intended to be exhaustive. Prospective limited partners should consult their own legal, tax and financial advisers about the risks of an investment in the SALI Select Third Point Series. The risk factors contained in the Third Point IDF Governing Documents, included in Exhibit A herein, and other relevant risks could have a material adverse effect on the SALI Select Third Point Series and Limited Partners' investments. The risks and investments described in the documents referenced in Exhibit A herein are intended to reflect the risks and investments of the SALI Select Third Point Series, either directly or indirectly through its investments in the Third Point IDF.

**Risks Associated with the SALI Select Third Point Series**

***Multiple Levels of Expense.*** Each of the SALI Select Third Point Series and the Third Point IDF impose management fees, operating costs, administrative expenses, and the Third Point IDF imposes incentive fees on realized and unrealized appreciation and other income. This will result in greater expense and lesser return on investment, which may be material, than if such fees were not charged or if the Limited Partner invested directly in the Third Point IDF.

***Fund of Funds Structure***. The Third Point IDF is structured as a "fund of funds" or "fund of hedge funds," in that its primary investment strategy is to invest Third Point IDF capital in certain investment funds and/or accounts managed by the Third Point IDF Investment Manager (such funds and/or accounts in which the Third Point IDF invests, collectively, the "**Third Point Funds**"). In addition, the Third Point IDF also seeks to provide appropriate diversification of the Third Point IDF's investment portfolio while maintaining liquidity and protecting capital by investing a portion of its assets in various fixed income securities, including, among other fixed income securities, both short-term and long-term Treasury notes, Treasury bills and Treasury bonds (collectively, the "**Fixed Income Investments**" and, together with the Third Point IDF's investment in the Third Point Funds, the "**Portfolio Investments**"). Investing in a fund of funds such as the Third Point IDF presents certain risks that are not present in a direct investment in a Portfolio Investment including, but not limited to, multiple layers of expenses, the possibility of total failure of a Portfolio Investment, and the possibility of the suspension of the Third Point IDF's right to redeem shares as a result of a Portfolio Investment's suspension of its investors' right to redeem there from.

***Investments in Cash and Cash Equivalents May Reduce Investment Returns.*** To the extent that the Investment Manager invests SALI Select Third Point Series' capital in cash and cash equivalents, because Limited Partners investing directly in the Third Point IDF will not be subject to multiple levels of investments in cash and cash equivalents, and such investors generally will have a greater return on investment than investors investing through the SALI Select Third Point Series.

***Reports.*** For the SALI Select Third Point Series to provide reporting to Limited Partners, it must receive timely information from the Third Point IDF. The Third Point IDF's delay in providing this information could delay the preparation of the SALI Select Third Point Series' reports.

***Inability to Invest in the Third Point IDF.*** In the event that the SALI Select Third Point Series is able to make investments in the Third Point IDF only at certain times, the SALI Select Third Point Series may invest any portion of its assets that are not invested in the Third Point IDF in short-term instruments pending investment in the Third Point IDF.

***Concentration of Investments.*** Substantially all of the SALI Select Third Point Series' assets will be allocated to the Third Point IDF. There is no guaranty that the Third Point IDF will itself have appropriate levels of diversification.

***Diversification of Contracts.*** Section 817(h) of the Code and the Regulations thereunder require that the assets of a segregated asset account supporting variable life insurance and variable annuity contracts ("**Contracts**") be "adequately diversified" in accordance with certain specific standards. These diversification requirements place certain limitations on the proportion of the assets of the SALI Select Third Point Series that may be represented by any single investment. For these purposes, all securities of the same issuer are treated as a single investment and each U.S. Government agency or instrumentality is treated as a separate issuer, while a particular foreign government and its agencies, instrumentalities, and political subdivision will all be considered the same issuer. The diversification requirements generally provide that the SALI Select Third Point Series will be considered adequately diversified only if (i) no more than 55% of the value of the total assets thereof is represented by any one investment, (ii) no more than 70% of the value of the total assets thereof is represented by any two investments, (iii) no more than 80% of the value of the total assets thereof is represented by any three investments, and (iv) no more than 90% of the value of the total assets thereof is represented by any four investments. Thus, under this general rule, the SALI Select Third Point Series is required to invest a specified portion of its assets in at least five distinct investments. In general, the diversification requirement must be satisfied on the last day of each calendar quarter or within 30 days thereafter.

The SALI Select Third Point Series intends to use its best efforts to comply with the diversification requirements imposed by Section 817(h) and the regulations promulgated thereunder (the **"Diversification Requirements"**). The SALI Select Third Point Series relies on the Third Point IDF to comply with the Diversification Requirements. Each of the Third Point IDF General Partner and the Third Point IDF has made certain representations to the SALI Select Third Point Series that it will use best efforts to ensure that the Diversification Requirements are not violated with respect to the Third Point IDF. It should also be noted that guidance as to how Section 817(h) of the Code is to be applied to such an investment is limited to certain revenue rulings and other Treasury pronouncements, and neither the General Partner nor the Investment Manager can anticipate what guidance may be issued in the future. Moreover, in certain circumstances, Policy Owners have been treated, for federal income tax purposes, as the owners of the assets of the underlying portfolios used to support the Contracts. If a Policy Owner were so deemed, the income and gains of the portfolios attributable to the Contract would be included in the Policy Owner's current gross income. The Investment Manager will take certain steps in an effort to prevent Policy Owners from being treated as the owners of the assets of the Partnership, for federal income tax purposes; however, the guidance in this area is limited.

An in-kind distribution made to the SALI Select Third Point Series by the Third Point IDF may adversely impact the ability of the SALI Select Third Point Series to comply with the Diversification Requirements. The SALI Select Third Point Series will use best efforts to ensure that Diversification Requirements are not violated with respect to its portfolio. In certain circumstances this may include selling the

Special Situation Investment at a loss, purchasing other assets with available funds or liquidating the SALI Select Third Point Series.

***Prior Performance.*** The past performance of previous investments of the Third Point IDF and its affiliates cannot be relied upon as indicators of the performance or success of the Third Point IDF and, in turn, the SALI Select Third Point Series.

***Dependence on Key Personnel.*** The success of the Third Point IDF and, in turn, the SALI Select Third Point Series, depends significantly on the Third Point IDF Investment Manager's key personnel. The Third Point IDF Investment Manager relies extensively on the experience, relationships and expertise of these key personnel. There can be no assurance that these individuals will remain in the employment of the Third Point IDF Investment Manager, or otherwise continue to be able to carry on their current duties throughout the term of the Third Point IDF. Certain of the key personnel, in addition to their responsibilities on behalf of the Third Point IDF, have responsibility for other investment activities.

***Lack of Control Over the Third Point IDF's Policies***. The management, financing and disposition policies of the Third Point IDF are determined by the Third Point IDF Investment Manager. These policies may be changed at the discretion of the Third Point IDF Investment Manager without a vote of the limited partners of the Third Point IDF and any such changes could be detrimental to the value of the Third Point IDF. Limited partners of the Third Point IDF will have no right to participate in the day-to-day operation of the Third Point IDF, including investment and disposition decisions and decisions regarding the operation of portfolio companies. The SALI Select Third Point Series will have limited voting rights under the Third Point IDF Partnership Agreement. When the SALI Select Third Point Series does have voting rights, the General Partner will cast a vote on behalf of the SALI Select Third Point Series in its discretion. Limited Partners will have no voting rights under the Third Point IDF Partnership Agreement.

***Indemnification of the Third Point IDF.*** As a limited partner in the Third Point IDF, the SALI Select Third Point Series will indemnify the Third Point IDF Investment Manager and its affiliates from any liability, damage, cost, or expense arising out of, among other things, certain acts or omissions relating to the offer or sale of interests in the Third Point IDF. The Third Point IDF Investment Manager has broad indemnification rights and limitations on liability. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation would be payable from the assets of the Third Point IDF and would adversely impact the value of the SALI Select Third Point Series' investments in the Third Point IDF, and by extension, the net asset value of the SALI Select Third Point Series.

***Potential Inability to Meet Investment Objective.*** There can be no assurance that the trading strategies employed by the Third Point IDF will be successful. The Third Point IDF Investment Manager's prior performance cannot be used to predict future profitability of the Third Point IDF.

***Subjective Valuations.*** The Third Point IDF Investment Manager may invest in securities for which there is no public market valuation. The valuation of these investments will be made by the Third Point IDF Investment Manager and may have a significant effect on the value of the SALI Select Third Point Series' capital account. Although the Third Point IDF should follow appropriate valuation measures for valuing the underlying investments, the illiquid nature of some non-publicly traded securities held by the Third Point IDF, and the inherently more subjective and imprecise nature of the valuation process for such illiquid securities, creates a greater possibility that significant changes in value could occur during the investment year (than is otherwise the case with publicly traded stocks).

***Estimated Fair Values for Distributions and Subsequent Closing Investors.*** Distributions and reallocations with respect to either withdrawals from the SALI Select Third Point Series or initial and additional

subscriptions in the SALI Select Third Point Series subsequent to the initial closing will be based on estimates of the aggregate of the fair value of the SALI Select Third Point Series' investments. It should be noted that additional, withdrawing or remaining Limited Partners, as the case may be, will bear the risk that such determinations of fair value by SALI Select Third Point Series are not correct. Furthermore, the fair values received by the SALI Select Third Point Series for the Third Point IDF typically will be subject to revision through the end of the Third Point IDF's annual audit. Revisions to the SALI Select Third Point Series gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final until the SALI Select Third Point Series' own audit is completed.

In particular, in cases of full withdrawals from a Capital Account, the General Partner will determine the Preliminary Payment and Holdback Amount in good faith based upon the best information available at the relevant time; however, such calculations may later prove to be incorrect and subject to revision or adjustment (including but not limited to the SALI Select Third Point Series' annual audit process). To the extent that a Preliminary Payment made to a withdrawing Limited Partner exceeds the full amount due in respect of a Capital Account, the General Partner may have limited ability, or may not be successful in any attempts, to clawback any excess amount paid. Consequently, the SALI Select Third Point Series will suffer a loss with regard to such excess amount paid and the net asset value of each other Capital Account will be adversely affected on a pro-rata basis.

***Ancillary Services.*** The General Partner has elected to have accounting and audit-related Ancillary Services provided by employees of the Investment Manager; the General Partner believes such arrangements provide the SALI Select Third Point Series with such accounting and audit-related services more effectively and at a better value to Limited Partners than would otherwise be achieved through third-party providers charging market rates for such services. The amount reimbursed to the Investment Manager for the provision of Ancillary Services will vary from time to time, depending upon the number of employee hours used to perform such services. While the Investment Manager undertakes commercially reasonable efforts to determine applicable market rates on an annual basis, there is no guarantee that such services could not be obtained from a third party at a reduced cost. The Investment Manager charges for the actual operating and overhead costs of such employees and causes such employees to track their time while working for the SALI Select Third Point Series; a copy of the Investment Manager's policy and procedures with respect to Ancillary Services is available upon request. Any payments received by the Investment Manager or any of its affiliates for Ancillary Services will not offset the Management Fee, the Incentive Fee, or any other fee otherwise owed to the General Partner or the Investment Manager.

***Data Privacy Legislation.*** The Investment Manager, the General Partner, the SALI Select Third Point Series are subject to various laws and regulations related to privacy and data protection. For example, numerous U.S. states, including the State of California, have adopted or are considering state privacy and data protection laws. Future jurisdictions may adopt additional laws and regulations the scope and terms of which is not currently clear. Several of these laws and regulations contain substantial financial penalties or the potential for substantial liabilities for violations of them even if such violations are unintentional or inadvertent. Thus, the SALI Select Third Point Series may incur substantial liabilities if it, the General Partner or the Investment Manager is determined to have breached a data protection law or regulation. Even though the SALI Select Third Point Series will endeavor to comply with such laws and regulations, many of them are new and interpretations of some of their provisions are not yet clear. In addition, a number of the laws and regulations contain subjective elements which could allow a regulator or third party to challenge the SALI Select Third Point Series' compliance efforts and determinations even if they were made in good faith.

***Brexit – Changes to the European Union.*** On January 31, 2020, the United Kingdom (the "UK") withdrew as a member of the European Union (the "EU") and a party to the Treaty on European Union

and its successor treaties ("Brexit"). On December 24, 2020, the UK and the EU reached a Trade and Cooperation Agreement (together with relevant annexes and ancillary agreements, the "Trade Agreement") which took effect at 11:00 p.m. GMT on December 31, 2020. The Trade Agreement is not exhaustive and, apart from some limited exceptions, does not include arrangements with respect to financial services. The UK and the EU have therefore agreed to continue additional negotiations with respect to financial services, but uncertainty remains regarding whether the UK and EU will conclude agreements establishing relevant legal bases for the cross-border provision of financial services, and/or whether legal "equivalence" decisions will be issued. The UK Financial Conduct Authority published a number of onshoring instruments, Temporary Transitional Power directions and related guidance that apply to the UK following Brexit directing that, until March 31, 2022, firms must either comply with regulatory obligations that applied to them before 11:00 p.m. GMT on December 31, 2020, or with the onshored regulatory obligations. Following a 2016 referendum vote to withdraw as a member of the European Union (the "EU"), the United Kingdom (the "UK") passed legislation to exit the EU on January 31, 2020, with a transitional period applying until December 31, 2020, until which EU law will continue to apply in the UK.

The outcome of the referendum has caused significant uncertainty and may cause disruption, in particular, with regards to the functioning of European markets, including the ease, cost, ability and willingness of persons to trade and invest within Europe, the scope and functioning of European legal and regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), the nature and scope of the regulation of the provision of financial services within, and to, persons in Europe and the nature and scope of industrial, trade, immigration, and other governmental policy pursued within Europe. These effects may persist for some time. Significant uncertainty remains regarding whether the UK and EU will conclude agreements establishing relevant legal bases for the cross-border provision of financial services, and/or whether legal "equivalence" decisions will be issued. It is not clear that agreements for financial services and equivalence decisions, as applicable, will be available before the end of the transition period.

Brexit may have other consequences, including a recession of the UK economy, down-grading of the UK's credit rating, and an increased likelihood of pro-independence movements in Scotland and other parts of the UK taking steps to secede from the UK. The volatility and uncertainty caused by Brexit may adversely affect the value of a Series' investment in the Portfolio Investments.

***Interest Rate Risk.*** The SALI Select Third Point Series, a Fixed Income Investment or a Third Point Fund's investments may have floating interest rates. Floating rate investments earn interest at rates that adjust from time to time (typically monthly) based upon an index (typically one-month LIBOR). These floating rate loans are insulated from changes in value specifically due to changes in interest rates; however, the coupons they earn fluctuate based upon interest rates (again, typically one-month LIBOR). While the SALI Select Third Point Series, a Fixed Income Investment or a Third Point Fund may be protected by interest rate floors or similar protection, in a declining and/or low interest rate environment, these floating rate loans could earn lower rates of interest than fixed rate loans.

In July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. Although financial regulators and industry working groups have suggested alternative reference rates, such as European Interbank Offer Rate, Sterling Overnight Interbank Average Rate and Secured Overnight Financing Rate, global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR remains unclear. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any investments or payments linked to those reference rates, which may adversely affect

the SALI Select Third Point Series', a Fixed Income Investment or a Third Point Fund's performance. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, adversely affecting a Series', a Fixed Income Investment or a Third Point Fund's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner.

***Inflation.*** In response to recent economic events, including the global financial crisis and the current COVID-19 global pandemic, countries around the world have significantly loosened monetary policy and injected trillions of dollars into the economy in an effort to prevent more severe economic turbulence. This unprecedented amount of government funding and support may give rise to significant increases in government spending and (in many instances) significant increases to the amount of debt issued by governments in the international bond markets. In addition, the United States and other countries have experienced, and may in the future experience, supply chain disruptions for a number of goods in the marketplace. This potential disruption in supply of goods, combined with unprecedented levels of such government spending and monetary policy, may materially increase inflation of the U.S. dollar and other currencies in the coming years. 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. For example, if an investment is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Investments may have revenues linked to some extent to inflation, including without limitation, by government regulations and contractual arrangement. As inflation rises, an investment may earn more revenue but may incur higher expenses. As inflation declines, an investment 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. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the SALI Select Third Point Series' returns.

***Changes in the Law.*** Amendments to banking, lending, investment and other relevant laws and regulations could alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation or the availability of investment opportunities. In addition, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the investment industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the United States Congress and the Securities and Exchange Commission, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to a Portfolio Investment, the markets in which the Third Point Funds trade and invest, or the counterparties with which they do business in the future. Any such regulations could have a material adverse impact on the regulatory environment for private investment funds.

***The foregoing risk factors do not purport to be a complete explanation of the risks involved in an investment in SALI Select Third Point Series Interests. Prospective investors must read the SALI Select Confidential Memorandum, the Partnership Agreement and all Third Point IDF Governing Documents (attached as Exhibit A of this Series Supplement), and must consult their own personal legal and tax counselors before making an allocation to the SALI Select Third Point Series.***

## IV. SUBSCRIPTIONS

### Subscription Procedures

Subscriptions for SALI Select Third Point Series Interests will generally be accepted as of the first business day of each month, or such other times as the General Partner may determine (the **"Subscription Date"**). The General Partner reserves the right to reject any subscription, including for anti-money laundering reasons relating to regulations and executive orders proscribed by the U.S. Treasury Department's Office of Foreign Assets Control.

The minimum initial subscription by a Limited Partner on behalf of each capital account for the Interests is $250,000 and the minimum additional subscription is $50,000, subject to change at the General Partner's discretion.

A Limited Partner wishing to make a subscription to the SALI Select Third Point Series must give non-binding notice to the General Partner on or before the 10th calendar day of the month prior to the Subscription Date, subject to change at the General Partner's discretion.

Subscription documents must be received on or before the 18th calendar day of the month prior to the Subscription Date, subject to change at the General Partner's discretion.

Subscription proceeds are payable in full upon acceptance. Subscription proceeds are payable in cash, and must be received by the SALI Select Third Point Series five (5) business days prior to the Subscription Date, subject to change at the General Partner's discretion. Subscriptions for SALI Select Third Point Series Interests will be deemed irrevocable upon receipt of funds unless otherwise waived in the sole discretion of the General Partner.

### Investor Eligibility Requirements

The Partnership is not required to register under the U.S. Investment Company Act of 1940, as amended (the **"Company Act"**) in reliance on Section 3(c)(7) thereof, which provides an exemption from registration to collective investment vehicles whose securities are not publicly offered and are beneficially owned exclusively by persons who, at the time of purchase, were "accredited investors" as defined in the Securities Act, "qualified purchasers" as defined in the Company Act and "qualified eligible persons" within the meaning of Rule 4.7 of the Commodity Futures Trading Commission. More detailed information concerning the applicable suitability criteria is set forth in the SALI Select Third Point Series' subscription materials.

### Legal Notices and Investment Instructions

Instructions or notices regarding an investment in the SALI Select Third Point Series (including, without limitation, withdrawal requests) must be in writing and should be directed to the General Partner at the following address or any other address that the General Partner shall designate in writing:

Fund Administration Department
SALI Select Partners, LLC
6850 Austin Center Blvd., Suite 300
Austin, Texas 78731
admin@sali.com

To be effective, a notice or instruction must be (1) mailed by first class mail, postage prepaid, registered or certified with return receipt requested, (2) sent by nationally recognized overnight courier (with all fees prepaid), (3) delivered in person to the intended addressee, or (4) sent by e-mail, *provided* that for e-mail notice to be effective the recipient must affirmatively acknowledge receipt of such notice by a return e-mail. Notices and instructions to the General Partner are effective upon receipt by the General Partner.

## V. ADDITIONAL INFORMATION

### Auditors

The General Partner has selected Spicer Jeffries LLP to serve as the auditors of the SALI Select Third Point Series.

### Qualified Custodian

Cash and short-term liquid assets of the SALI Select Third Point Series are maintained at Frost National Bank, 2703 SW Military Dr, San Antonio, TX 78224.

### Administrator

The Investment Manager will serve as administrator to the SALI Select Third Point Series and will engage Essential Fund Services as a third party accountant.

### Inquiries

Inquiries concerning the SALI Select Third Point Series and Interests (including information concerning subscription procedures) should be directed to:

Thomas A. Nieman
SALI Select Partners, LLC
6850 Austin Center Blvd., Suite 300
Austin, Texas 78731
Tel: (512) 682-1883

***This Series Supplement does not purport to be and should not be construed as a complete description of an investment in SALI Select Third Point Series Interests. Each prospective purchaser of SALI Select Third Point Series Interests must review the complete SALI Select Confidential Memorandum, the Partnership Agreement, and the Third Point IDF Governing Documents carefully, in addition to consulting appropriate legal and tax counselors, before making an allocation to the SALI Select Third Point Series.***

## VI. EXHIBIT A

The documents for the Third Point IDF are incorporated by reference herein.

1. Third Point IDF – Limited Partnership Agreement, dated December 15, 2021, as may be amended and restated in the future
2. Third Point IDF – Confidential Private Offering Memorandum, dated December 2021, as may be amended and restated in the future

The information contained in the Series Supplement relating to the Third Point IDF was obtained from the Third Point IDF Memorandum prepared by Third Point Advisors L.L.C. and is for informational purposes only. Policy Owners gain exposure to the SALI Select Third Point Series through the purchase of privately placed life insurance and annuity contracts, the proceeds of which are invested in the SALI Select Third Point Series through separate accounts of an insurance company. None of the Third Point IDF, Third Point Advisors L.L.C. or their respective affiliates (i) has participated in the offering of Policies in the Separate Account, (ii) is responsible for such offering of Policies, the administration of the Separate Account or the participation of any Policy Owner in the Separate Account and (iii) has participated in the preparation of these materials and shall have no responsibility for the contents or use of the SALI Select Third Point Series Supplement.

Policy Owners will not be limited partners of the Third Point IDF or the SALI Select Third Point Series, will not have any ownership interest in the Third Point IDF or the SALI Select Third Point Series, will have no voting rights in the Third Point IDF or the SALI Select Third Point Series, will have no rights under the Third Point IDF Governing Documents or the Series Supplement, will not be in privity with the Third Point IDF or the SALI Select Third Point Series, Third Point Advisors L.L.C., the General Partner, the Investment Manager, nor any of their respective affiliates and will have no standing or recourse against the Third Point IDF or the SALI Select Third Point Series, Third Point Advisors L.L.C., the General Partner, the Investment Manager, nor any of their respective affiliates. Potential Policy Owners should note that neither the Separate Account nor the Limited Partner nor its affiliates have the power to legally bind or commit the Third Point IDF, Third Point Advisors L.L.C. and any of its affiliates.

The Policy Owners have no right to consult with, directly or indirectly, or engage in communication with any general partner or investment manager with respect to their indirect investment in the Third Point IDF the SALI Select Third Point Series, or any funds or other investment vehicles managed by Third Point Advisors L.L.C. or their respective affiliates that pursue an investment strategy substantially similar to the investment strategy pursued directly or indirectly by the Third Point IDF.

None of the SALI Select Series, the Third Point IDF, or any investment manager or general partner of either of the SALI Select Series or the Third Point IDF, will accept any instructions from the Policy Owners.

The rights of the Policy Owners are governed solely by such Policy Owners' contracts with the applicable Separate Account and not by the Third Point IDF Governing Documents (or any equivalent or similar document of the SALI Select Series).

THESE MATERIALS (INCLUDING THE THIRD POINT IDF GOVERNING DOCUMENTS) ARE CONFIDENTIAL AND FOR USE SOLELY BY PROSPECTIVE INVESTORS, THEIR PROFESSIONAL ADVISERS AND PROSPECTIVE POLICY OWNERS IN CONNECTION WITH EVALUATING WHETHER TO INVEST IN THE SALI SELECT THIRD POINT SERIES, OR ALLOCATE PREMIUMS TO THE SALI SELECT THIRD POINT SERIES.

# THIRD POINT INSURANCE DEDICATED FUND LP

## CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

## LIMITED PARTNER INTERESTS

**THE LIMITED PARTNER INTERESTS HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"). NEITHER THE SEC NOR ANY STATE AGENCY OR ANY STATE, COUNTRY OR OTHER JURISDICTION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THIS "MEMORANDUM"). ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. ANY DISTRIBUTION OR REPRODUCTION OF ALL OR ANY PART OF THIS MEMORANDUM OR DIVULGING OF ITS CONTENTS, OTHER THAN AS SPECIFICALLY PERMITTED HEREIN, IS UNAUTHORIZED.**

**Investment Manager:**
**Third Point LLC**
**55 Hudson Yards**
**New York, NY 10001**
**United States of America**
**Tel. No.: +1-212-715-3880**
**Fax No.: +1-212-715-6759**

**Administrator:**
**International Fund Services (N.A.), L.L.C.**
**1290 Avenue of the Americas,**
**6th Floor**
**New York, NY 10104**
**United States of America**
**Tel. No.: +1-212-339-2700**
**Fax No.: +1-212-339-0962**

**December 2021**

# THIRD POINT INSURANCE DEDICATED FUND LP

THIRD POINT INSURANCE DEDICATED FUND LP (the "Fund") is a limited partnership organized under the laws of the State of Delaware. The Fund will operate as an insurance dedicated fund.

The Fund's investments are managed by Third Point LLC, a Delaware limited liability company (the "Investment Manager"). The Investment Manager and its affiliates also act as the investment manager or general partner of several other investment funds and separate accounts, including investment funds and/or separate accounts through which the Fund will invest its investable capital. Daniel S. Loeb indirectly controls the Investment Manager and the General Partner (as defined below) and oversees the Fund's investment activities.

Third Point Advisors L.L.C. (the "General Partner"), a Delaware limited liability company and an affiliate of the Investment Manager, serves as the general partner of the Fund. The General Partner has exclusive and complete control of the business of the Fund, but all investment decisions will be made by the Investment Manager.

The Fund offers limited partner interests (the "Interests") privately solely to Segregated Accounts of Insurance Companies (each, as defined herein) established for the owners ("Policy Owners") of variable life insurance contracts or variable annuities (and any pass-through entities whose underlying beneficial owners are comprised solely of such Insurance Companies, except as permitted by Treasury Regulation Section 1.817-5(f)(3)), who, upon admission to the Fund, will become its limited partners (the "Limited Partners"). All Insurance Companies, Segregated Accounts and Policy Owners must qualify as "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules adopted thereunder. None of the General Partner, the Investment Manager or their respective affiliates (i) has participated in the offering of the Policies (as defined herein) supported by or invested in the Fund nor (ii) is responsible for such offering of the Policies, the administration of any related Segregated Account or the participation of any Policy Owner in any Segregated Account.

The term "Interests" as used herein refers to tranche E Interests and tranche F Interests, or to any such interest as the context requires. Tranche E Interests and tranche F Interests are identical in all respects, except that the participation of tranche F Interests in profits and losses from "new issues" will be limited as described in this Memorandum.

## NOTICES

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY OTHER COMMUNICATION FROM THE GENERAL PARTNER, THE INVESTMENT MANAGER, THE FUND OR ANY OF THEIR RESPECTIVE MEMBERS, OFFICERS, EMPLOYEES, AFFILIATES OR REPRESENTATIVES AS INVESTMENT, LEGAL OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS ON THE POTENTIAL TAX AND OTHER LEGAL CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING, CONVERTING OR SELLING THE INTERESTS OFFERED HEREBY UNDER THE LAWS OF ANY JURISDICTION TO WHICH THEY ARE SUBJECT AND THE INVESTMENT RISKS ASSOCIATED WITH THE FUND AND ITS PROPOSED ACTIVITIES. THE INTERESTS ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND'S INVESTMENT PROGRAM.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR INVESTMENT ADVICE.

THE FUND HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE 1940 ACT. IN ADDITION, NO TRANSFER OF THE INTERESTS WILL BE PERMITTED WHICH WOULD CAUSE THE FUND TO BE REQUIRED TO REGISTER AS AN INVESTMENT COMPANY UNDER THE 1940 ACT OR WOULD, IN THE REASONABLE JUDGMENT OF THE GENERAL PARTNER, SUBJECT THE FUND TO ANY ADVERSE TAX CONSEQUENCE.

IN GENERAL, INTERESTS OF ANY LIMITED PARTNER CAN ONLY BE LIQUIDATED AS OF THE END OF A CALENDAR QUARTER OR AT THE END OF A LOCK-UP PERIOD (AS THE CASE MAY BE), SUBJECT TO CERTAIN FEES, NOTICE AND OTHER REQUIREMENTS (AND CERTAIN LIMITATIONS AS DESCRIBED HEREIN). AN ORGANIZED MARKET FOR THE INTERESTS IS NOT EXPECTED TO DEVELOP AT ANY TIME. EVEN IF SUCH A MARKET DEVELOPS, THE INTERESTS CANNOT BE SOLD OR TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. NO SUCH REGISTRATION IS PRESENTLY CONTEMPLATED, AND IT IS NOT ANTICIPATED THAT AN EXEMPTION FROM REGISTRATION WILL EVER BE AVAILABLE. IN ADDITION, THE INTERESTS MAY NOT BE SOLD OR

TRANSFERRED, PUBLICLY OR PRIVATELY, WITHOUT THE CONSENT OF THE GENERAL PARTNER. INVESTORS SHOULD HAVE NO EXPECTATION THAT THE GENERAL PARTNER WILL CONSENT TO ANY SALE OR TRANSFER. ACCORDINGLY, THE INTERESTS SHOULD BE PURCHASED ONLY BY PERSONS WHO DO NOT REQUIRE LIQUIDITY WITH RESPECT TO THEIR INVESTMENT AND WHO CAN BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY NOR WILL THERE BE ANY SALE OF INTERESTS OFFERED HEREBY IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THE INVESTMENT MANAGER HAS CLAIMED AN EXEMPTION FROM REGISTRATION AS A COMMODITY POOL OPERATOR ("CPO") UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED, PURSUANT TO U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC") RULE 4.13(a)(3), WHICH GENERALLY ALLOWS THE INVESTMENT MANAGER TO INVEST THE FUND'S ASSETS (DIRECTLY OR INDIRECTLY) IN FUTURES, OPTIONS ON FUTURES AND CERTAIN SWAPS ("COMMODITY INTERESTS"), PROVIDED, THAT THE FUND'S OVERALL USE OF SUCH INSTRUMENTS IS LIMITED. CFTC RULE 4.13(a)(3) EXEMPTS FROM REGISTRATION AS A CPO OPERATORS OF POOLS IN WHICH (A) EACH INVESTOR IS A "QUALIFIED ELIGIBLE PERSON," AS DEFINED UNDER CFTC RULE 4.7, OR AN "ACCREDITED INVESTOR," AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT, (B) THE INTERESTS ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND ARE MARKETED AND ADVERTISED TO THE PUBLIC IN THE UNITED STATES SOLELY, IF AT ALL, IN COMPLIANCE WITH EITHER REGULATION D OR RULE 144A UNDER THE SECURITIES ACT, (C) THE INTERESTS ARE NOT MARKETED AS OR IN A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS AND (D) AT THE TIME THAT THE POOL ESTABLISHES A COMMODITY INTEREST POSITION, EITHER (I) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH COMMODITY INTEREST POSITIONS DOES NOT EXCEED 5% OF THE LIQUIDATION VALUE OF THE POOL'S INVESTMENT PORTFOLIO OR (II) THE AGGREGATE NET NOTIONAL VALUE OF SUCH POOL'S COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF SUCH POOL'S INVESTMENT PORTFOLIO. AS A RESULT OF CLAIMING THE EXEMPTION, THE INVESTMENT MANAGER IS NOT REQUIRED TO COMPLY WITH THE DISCLOSURE, REPORTING AND RECORDKEEPING REQUIREMENTS GENERALLY APPLICABLE TO REGISTERED CPOS, INCLUDING DELIVERY TO INVESTORS OF A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT DESIGNED TO MEET CFTC REQUIREMENTS. THE INVESTMENT MANAGER HAS ALSO CLAIMED EXEMPTION FROM REGISTRATION WITH THE CFTC AS A COMMODITY TRADING ADVISOR ("CTA") UNDER CFTC RULE 4.14(a)(8), WHICH EXEMPTS FROM REGISTRATION CTAS WHO ADVISE POOLS THAT OPERATE PURSUANT TO CFTC RULE 4.13(a)(3). IF AT ANY TIME THE INVESTMENT

MANAGER INVESTS IN COMMODITY INTERESTS ABOVE THE LIMITED AMOUNTS DESCRIBED ABOVE, THE INVESTMENT MANAGER MAY BE REQUIRED TO REGISTER AS A CPO AND MAY BE REQUIRED TO REGISTER AS A CTA AS WELL. IN THE EVENT THE INVESTMENT MANAGER IS REQUIRED TO REGISTER AS A CPO OR CTA, A SUPPLEMENT TO THIS MEMORANDUM WILL BE PROVIDED TO SHAREHOLDERS TO COMPLY WITH CFTC DISCLOSURE REQUIREMENTS, AND THE FUND MAY BE SUBJECT TO CERTAIN ADDITIONAL COSTS, EXPENSES AND ADMINISTRATIVE BURDENS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS MEMORANDUM, NOTHING IN THIS MEMORANDUM WILL LIMIT THE DISCLOSURE OF THE TAX TREATMENT OR TAX STRUCTURE OF THE FUND (OR ANY TRANSACTIONS UNDERTAKEN BY THE FUND). AS USED IN THIS PARAGRAPH, THE TERM "TAX TREATMENT" REFERS TO THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT AND THE TERM "TAX STRUCTURE" REFERS TO ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT, PROVIDED, THAT, FOR THE AVOIDANCE OF DOUBT, (I) EXCEPT TO THE EXTENT OTHERWISE ESTABLISHED IN PUBLISHED GUIDANCE BY THE U.S. INTERNAL REVENUE SERVICE (THE "SERVICE"), TAX TREATMENT AND TAX STRUCTURE WILL NOT INCLUDE THE NAME OF, CONTACT INFORMATION FOR, OR ANY OTHER SIMILAR IDENTIFYING INFORMATION REGARDING THE FUND OR ANY OF ITS INVESTMENTS (INCLUDING THE NAMES OF ANY EMPLOYEES OR AFFILIATES THEREOF) AND (II) NOTHING IN THIS PARAGRAPH WILL LIMIT THE ABILITY OF AN INVESTOR TO MAKE ANY DISCLOSURE TO THE INVESTOR'S TAX ADVISORS OR TO THE SERVICE OR ANY OTHER TAXING AUTHORITY.

ADDITIONALLY, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS MEMORANDUM, NOTHING WILL LIMIT THE REPORTING OF A POSSIBLE VIOLATION OF LAW THAT IS MADE: (I) IN CONFIDENCE TO A FEDERAL, STATE OR LOCAL GOVERNMENT OFFICIAL, EITHER DIRECTLY OR INDIRECTLY, OR TO AN ATTORNEY; AND (II) SOLELY FOR THE PURPOSE OF REPORTING OR INVESTIGATING A SUSPECTED VIOLATION OF LAW, OR IS MADE IN A COMPLAINT OR OTHER DOCUMENT THAT IS FILED UNDER SEAL IN A LAWSUIT OR OTHER PROCEEDING.

ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR ANY ATTEMPT TO DIVULGE ITS CONTENTS, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER IS PROHIBITED.

THIS MEMORANDUM SUPERSEDES ALL PRIOR INFORMATION WITH RESPECT TO THE INTERESTS OFFERED HEREBY. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER WILL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. THERE IS NO OBLIGATION ON THE FUND (OR, FOR THE

AVOIDANCE OF DOUBT, THE GENERAL PARTNER OR THE INVESTMENT MANAGER) TO UPDATE THIS MEMORANDUM AT ANY TIME FOR ANY REASON.

AN INVESTMENT IN THE FUND INVOLVES A HIGH DEGREE OF RISK AND IS CONSIDERED ONLY APPROPRIATE FOR SOPHISTICATED INVESTORS. THE INVESTOR MUST HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT THE INVESTOR IS CAPABLE OF EVALUATING SUCH MERITS AND RISKS. THE INVESTOR'S FINANCIAL CONDITION MUST BE SUCH THAT SUCH INVESTOR IS CAPABLE OF LOSING ITS ENTIRE INVESTMENT IN THE FUND. INVESTORS SHOULD BE AWARE THAT THE VALUE OF INVESTMENTS AS REFLECTED IN THE NET ASSET VALUE OF THE FUND CAN GO DOWN AS WELL AS UP AND THE ATTENTION OF INVESTORS IS DRAWN TO "*CERTAIN RISK FACTORS*" SET OUT BELOW.

PROSPECTIVE INVESTORS AND THEIR REPRESENTATIVES, IF ANY, ARE INVITED TO ASK QUESTIONS OF AND TO OBTAIN ADDITIONAL INFORMATION FROM THE INVESTMENT MANAGER CONCERNING THE INVESTMENT, THE TERMS AND CONDITIONS OF THE OFFERING AND OTHER MATTERS (INCLUDING ADDITIONAL INFORMATION TO VERIFY THE ACCURACY OF THE INFORMATION IN THIS MEMORANDUM). SUCH INFORMATION WILL BE SUPPLIED TO THE EXTENT THAT THE INVESTMENT MANAGER POSSESSES OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, SUBJECT TO THE INVESTMENT MANAGER'S RIGHT TO PROTECT ITS OR THE FUND'S PROPRIETARY INFORMATION AND CONFIDENTIAL INFORMATION RELATED TO OTHER INVESTORS.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. DUE TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE SET FORTH UNDER "*CERTAIN RISK FACTORS*," ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF THE FUND MAY DIFFER MATERIALLY AND ADVERSELY FROM THOSE REFLECTED OR CONTEMPLATED IN THE FORWARD-LOOKING STATEMENTS.

NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM WILL BE EMPLOYED IN THE OFFERING OF INTERESTS EXCEPT FOR THIS MEMORANDUM, THE FUND'S LIMITED PARTNERSHIP AGREEMENT, AND THE FUND'S SUBSCRIPTION AGREEMENT. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION RELATING TO THIS OFFERING OR TO MAKE ANY REPRESENTATION, WARRANTY, STATEMENT OR ASSURANCE NOT CONTAINED IN THIS MEMORANDUM, THE FUND'S LIMITED PARTNERSHIP AGREEMENT, AND THE FUND'S SUBSCRIPTION AGREEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION, WARRANTY, STATEMENT OR ASSURANCE MAY NOT BE RELIED UPON. THE OFFEREE MUST SUBSCRIBE SOLELY ON THE

BASIS OF THE INFORMATION TO BE RELIED UPON IN ACCORDANCE WITH THE IMMEDIATELY PRECEDING SENTENCE.

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# THIRD POINT INSURANCE DEDICATED FUND LP

# INVESTMENT PROGRAM

Investment Objective

The investment objective of the Fund is to achieve superior risk-adjusted returns by investing its investable capital in certain investment funds and/or accounts managed by the Investment Manager or its affiliates (such funds and/or accounts in which the Fund invests, collectively, the "Third Point Funds"). In addition, the Fund also seeks to provide appropriate diversification of the Fund's investment portfolio while maintaining liquidity and protecting capital by investing a portion of its assets in various fixed income securities, including, among other fixed income securities, both short-term and long-term Treasury notes, Treasury bills and Treasury bonds (collectively, the "Fixed Income Investments" and, together with the Fund's investment in the Third Point Funds, the "Investments").

The Investment Manager will use its best efforts to allocate the Fund's assets among the Investments so that they are "adequately diversified" within the meaning of Section 817(h) of the United States Internal Revenue Code of 1986, as amended (the "Code") and the rules thereunder.

Investment Objective of the Third Point Funds

The investment objective of the Third Point Funds is to achieve superior returns by investing capital in securities and other instruments in select asset classes, sectors and geographies, by taking both long and short positions. The Investment Manager identifies these opportunities by combining a fundamental approach to single security analysis with an informed view on global, political and economic events that shapes portfolio construction and drives risk management. Macroeconomic views are cultivated using a variety of proprietary internal and external sources. The Investment Manager seeks market and economic dislocations and supplements its analysis with considerations of managing overall exposures across specific asset classes, sectors and geographies by evaluating sizing, concentration, factor risk and beta, among other considerations. The resulting portfolio expresses the Investment Manager's best ideas for generating alpha and its tolerance for risk given global market conditions. The Investment Manager is opportunistic and often seeks a catalyst that will unlock value or alter the lens through which the greater market values a particular investment. The Investment Manager applies aspects of this framework to its decision-making process, and this approach informs the timing, positioning and risk of each investment.

The Investment Manager may make investments globally – in developed, emerging, developing and under-developed markets – in all sectors, and in equity, credit, commodity, currency, option and other instruments. The Third Point Funds' investment portfolios will be composed of selected investments from various investment strategies. As the purpose of the Third Point Funds is to invest, long and short, in favorable risk-reward scenarios, the Investment Manager has a broad mandate and reserves the right to invest on behalf of the Third Point Funds in strategies and asset classes that may not be described herein, but as to which the Investment Manager has determined are in the best interests of the Third Point Funds.

Furthermore, the investment strategies employed for the Third Point Funds may change and evolve materially over time. Certain Investment strategies that the Investment Manager employs, or has in the past employed, on behalf of the Third Point Funds include strategies focusing on long or short equities; long or short performing corporate credit (high-yield or investment grade); long or short distressed corporate credit or other distressed instruments, including preferred stock, liquidating trust certificates, trade claims and the like; long or short asset-backed securities; risk arbitrage; long or short physical and exchange-traded commodities; long or short currencies or government debt; and other strategies (including related to investments in foreign securities, credit default swaps, futures, options and swaps, macro investments and cryptocurrency). The Third Point Funds may also invest in illiquid investments traditionally considered venture capital or private equity investments as described, and subject to the limitations, in "*Certain Risk Factors – Business Risks – Private Investments*" below.

Since the Third Point Funds are denominated in U.S. dollars, the Third Point Funds will seek when possible to hedge all or substantially all of their exposure to debt and equities denominated in other currencies unless the Investment Manager has a differentiated view on the prospects for such non-U.S. currency. In addition, the Third Point Funds may, without limitation, hold cash or invest in cash equivalents.

The Investment Manager provides monthly and quarterly updates to the Fund as to the Third Point Funds' exposures and profit/loss attribution and any material changes in strategy will be conveyed through such communications. In addition, the Investment Manager's marketing presentation and due diligence questionnaire, each of which provides additional information regarding the Investment Manager and its investments, are available to all investors upon request.

**Risk Management**

The entire process of portfolio creation as described above is an exercise in risk management. While the Investment Manager does not employ hard limits, such as "stop losses" or sector caps, in order to construct the Third Point Funds' portfolios, considerations such as value-at-risk, sector correlations, portfolio stress tests, factor risks and other risks are continuously monitored, and portfolio changes are made on a real-time basis as a result of such analyses.

The Investment Manager has developed risk management tools and formed a Risk Management Committee, comprised of individuals from its business and investment team, to support in the monitoring and evaluation of risk in the portfolio. The risk management team of the Investment Manager works closely with the Investment Manager's operations group and investment professionals in an attempt to ensure that the risk profile of all investments is properly captured. The risk management tools, which may include those provided by third party risk management firms, are designed to ensure that material underlying portfolio risk data are available on a real-time basis for the risk management, research and trading teams to perform their various responsibilities.

Investment Objective of the Fund With Respect to Fixed Income Investments

As stated above, the Fund also seeks to provide appropriate diversification of the Fund's investment portfolio while maintaining liquidity and protecting capital by investing a portion of its assets in Fixed Income Investments. The size and allocations of the Fund in Fixed Income Investments will be maintained in accordance with the Investment Manager's risk management policies and procedures while meeting the requisite diversification requirements of the Fund. The Fund's investments in Fixed Income Investments will be focused on U.S. securities but maintains a global mandate for opportunistic investments. The Investment Manager evaluates the risk/reward in investments of Fixed Income Investments by taking under consideration leading economic indicators such as employment trends, industrial production, consumer demand, political environments and other factors to determine whether a country's currency or debt is likely to undergo a fundamental move in pricing, either appreciating or depreciating. In addition, since the Fund is denominated in U.S. dollars, the Fund will seek when possible to hedge all or substantially all of its exposure to debt and equities denominated in other currencies unless the Investment Manager has a differentiated view on the prospects for such non-U.S. currency.

# MANAGEMENT

## The Investment Manager

Third Point LLC, a Delaware limited liability company formed in October 1996, is the Investment Manager of the Fund. The Investment Manager is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act").

The Investment Manager has entered into an investment management agreement, as may be amended, modified, supplemented or restated from time to time (the "Investment Management Agreement") with the Fund, pursuant to which the Investment Manager is responsible for the investment (and re-investment) of, and the realization and sale of (including, without limitation, when the affairs of the Fund are being wound down), the Fund's assets and certain other investment advisory, administrative and managerial services. The Investment Management Agreement may be terminated by the Investment Manager or the Fund upon 90 days' prior written notice.

The Investment Management Agreement and the limited partnership agreement of the Fund, as amended and restated from time to time (the "Partnership Agreement") provide that neither the General Partner, the Investment Manager nor their respective affiliates (excluding the Fund and the Third Point Funds) and each of their respective members, partners, directors, officers, employees and legal representatives (*e.g.*, executors, guardians and trustees) of any of them, including persons formerly serving in such capacities (each such person, an "Indemnified Person"), will be liable to any Limited Partner or the Fund for any costs, losses, claims, damages, liabilities, taxes (including interest, penalties and additions to tax), expenses (including reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, "Indemnified Losses") arising out of, related to or in connection with any act or omission of such Indemnified Person taken, or omitted to be taken, in connection with the Fund, the Investment Management Agreement or the Partnership Agreement (as applicable), except for any Indemnified Losses arising out of, related to or in connection with any act or omission that is judicially determined to be primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. In addition, no Indemnified Person will be liable to any Limited Partner or the Fund for any Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker or agent of the Fund if such broker or agent was selected, engaged or retained by such Indemnified Person directly or on behalf of the Fund in accordance with the standard of care set forth above. Any Indemnified Person may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialized, reputable, professional consultants in respect of affairs of the Fund and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such persons; provided, that such persons will have been selected, engaged or retained in accordance with the standard of care set forth above.

Notwithstanding any of the foregoing to the contrary, the provisions of the Investment Management Agreement and the Partnership Agreement do not provide for the exculpation of any Indemnified Person for any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified

or limited under applicable law, but will be construed so as to effectuate the exculpation and indemnification protections described above to the fullest extent permitted by law.

To the fullest extent permitted by law, the Fund will indemnify and hold harmless each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any act, omission or alleged act or omission arising out of, related to or in connection with the Fund, the Investment Management Agreement and the Partnership Agreement (as applicable), or any and all claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative, which includes formal and informal inquiries and "sweep" examinations (whether cooperation with such inquiries is voluntary or mandatory), in connection with the Fund's activities), actual or threatened, in which an Indemnified Person may be involved, as a party or otherwise, arising out of or in connection with such Indemnified Person's service to or on behalf of, or management of the affairs or capital of, the Fund, or which relate to the Fund ("Proceedings") except for any Indemnified Losses that are judicially determined to be primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. The Fund will also indemnify and hold harmless each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any acts, omissions or alleged acts or omissions of any broker or agent of the Fund; provided, that such broker or agent was selected, engaged or retained by such Indemnified Person directly or on behalf of the Fund in accordance with the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of nolo contendere, or its equivalent, will not, of itself, create a presumption that such Indemnified Person's acts, omissions or alleged acts or omissions were primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. Expenses (including legal and other professional fees and disbursements) incurred in any Proceeding will be paid by the Fund in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amounts if it will ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Fund as authorized under the Investment Management Agreement or the Partnership Agreement (as applicable).

Notwithstanding any of the foregoing to the contrary, the provisions of the Investment Management Agreement and the Partnership Agreement should not be construed so as to provide for the indemnification of an Indemnified Person for any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but will be construed so as to effectuate the provisions of the Investment Management Agreement and the Partnership Agreement to the fullest extent permitted by law. The General Partner is authorized to enter into any agreement with any Indemnified Person which agreement has the effect of conferring directly on such Indemnified Person the indemnity and exculpation protection set out in the Partnership Agreement.

Pursuant to the foregoing indemnification and exculpation provisions applicable to each Indemnified Person, the Fund (and not the applicable Indemnified Person) will be responsible for any losses resulting from trading errors and similar human errors except for acts

that constitute the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. Investors should assume that trading errors (and similar errors) will occur and that the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of any Indemnified Person.

The organizational documents of the Third Point Funds contain indemnification and exculpation protections to the benefit of certain indemnified persons similar to the indemnification and exculpation protections described herein (which such indemnification and exculpation protections are therefore accorded by the Fund as an investor in the Third Point Funds).

The Investment Manager also makes investment and trading decisions on behalf of the Third Point Funds.

**Portfolio Management**

Daniel S. Loeb is the founder, CEO and CIO of the Investment Manager and is responsible for formulating the Fund's investment objective and strategies. Mr. Loeb continues to directly or indirectly control the managing member of the Investment Manager and the General Partner, and has done so since their formation.

**Investment by Principals, Partners and Employees of the Investment Manager**

The majority of Mr. Loeb's investible, liquid net worth is currently invested in the Third Point Funds or in other accounts, funds or investment vehicles currently sponsored or managed by, or that in the future may be sponsored or managed by, the General Partner and/or the Investment Manager or any of their affiliates (excluding the Fund and any family office, investment vehicle and/or account, in each case, through which the ultimate beneficial owners of the General Partner and the Investment Manager (either directly or indirectly through estate planning vehicles or otherwise) make personal investments, the "Affiliated Funds"). In addition, certain other principals, partners and employees of the Investment Manager invest personal capital in the Third Point Funds and/or the Affiliated Funds.

**The General Partner**

The General Partner has exclusive and complete control of the business of the Fund and has delegated responsibility for all investment decisions made on behalf of the Fund, and certain other functions in respect of the Fund, to the Investment Manager; therefore, references in this Memorandum to the General Partner should be read to include the Investment Manager as the General Partner's designee, as the context dictates. The General Partner may from time to time appoint certain officers or other representatives to act on behalf of the Fund.

The General Partner will be indemnified and exculpated by the Fund in the same manner as the Investment Manager will be indemnified and exculpated by the Fund as further described herein under "*Management – The Investment Manager*."

## SUMMARY OF PRINCIPAL TERMS

The following is a summary of certain information regarding the Fund (as defined below), including information set out more fully elsewhere in this Confidential Private Placement Memorandum (this "Memorandum"), the limited partnership agreement of the Fund, as amended and restated from time to time (the "Partnership Agreement") and the investment management agreement, as amended, modified, supplemented or restated from time to time (the "Investment Management Agreement"), copies of which are available upon request. This summary is incomplete and therefore should be read in conjunction with such detailed information. If any information in this Memorandum conflicts with the terms set forth in the Partnership Agreement, the Partnership Agreement will control.

**THE FUND:**

Third Point Insurance Dedicated Fund LP (the "Fund") is a limited partnership organized under the laws of the State of Delaware. The Fund will operate as an insurance dedicated fund.

The investment manager of the Fund is Third Point LLC, a Delaware limited liability company (the "Investment Manager"), which has its business office at 55 Hudson Yards, New York, New York 10001. Third Point Advisors L.L.C. (the "General Partner") has delegated certain of its functions to the Investment Manager. See "*Management*."

The Investment Manager and its affiliates may form additional investment vehicles and may advise additional clients that pursue a substantially similar investment objective to that of the Fund.

**INVESTMENT PROGRAM**:

The investment objective of the Fund is to achieve superior risk-adjusted returns by investing its investable capital in certain investment funds and/or accounts managed by the Investment Manager (such funds and/or accounts in which the Fund invests, collectively, the "Third Point Funds"). In addition, the Fund also seeks to provide appropriate diversification of the Fund's investment portfolio while maintaining liquidity and protecting capital by investing a portion of its assets in various fixed income securities, including, among other fixed income securities, both short-term and long-term Treasury notes, Treasury bills and Treasury bonds (collectively, the "Fixed Income Investments" and, together with the Fund's investment in the Third Point Funds, the "Investments"). See "*Investment Program*" above for a description of the investment objective of the Third Point Funds.

The Investment Manager will use its best efforts to allocate

the Fund's assets among the Investments so that they are "adequately diversified" within the meaning of Section 817(h) of the United States Internal Revenue Code of 1986, as amended (the "Code") and the rules thereunder.

The General Partner, the Investment Manager and the Fund will not accept investment recommendations, or make any investment decisions regarding the investment of the Fund's assets, based in whole or in part on information regarding any investment or group of investments received from any Limited Partner or from any Policy Owner (each, as defined below), the assets underlying which have been invested in the Fund. No Limited Partner or Policy Owner will have the right or be permitted to select or identify any particular investment or group of investments to be made with the assets of the Fund, and there is not, nor will there be, any pre-arrangements, plan or agreement between any Limited Partner or its Policy Owners and the General Partner or Investment Manager regarding the investments to be made by the Fund.

**LIMITED PARTNERS; ELIGIBILITY**:

Subject to the discretion of the General Partner, limited partners that are admitted to the Fund (the "Limited Partners") will be limited to (a) insurance companies within the meaning of Section 816(a) of the Code and Section 2(a)(13) of the Securities Act of 1933, as amended (the "Securities Act") ("Insurance Companies") and (b) partnerships, limited liability companies, trusts or other pass-through entities whose underlying beneficial owners are comprised solely of Insurance Companies, except as permitted by Treasury Regulation Section 1.817-5(f)(3); provided, that (i) any such Insurance Company maintains "variable contracts," as defined in Section 817(d) of the Code, in which all or part of the amounts received under the contract must be segregated from the general asset accounts of the insurance company pursuant to U.S. Federal or state law or the law of any other jurisdiction ("Segregated Accounts"), and (ii) the Insurance Company invests (directly or indirectly) only assets held in the Segregated Account or Segregated Accounts in the Fund. All Insurance Companies, Segregated Accounts and owners ("Policy Owners") of such "variable contracts" must qualify as "accredited investors" (within the meaning of Rule 501(a) under the Securities Act) and "qualified purchasers" (within the meaning of Section 2(a)(51) of the 1940 Act). Limited Partners will not have any voting rights and will not be permitted to participate in the

control of the Fund's business.

Policy Owners will not be Limited Partners of the Fund, will not have any ownership interest in the Fund, will have no voting rights in the Fund, will have no rights under this Memorandum, will not be in privity with the Fund, the General Partner or the Investment Manager, and will have no standing or recourse against the Fund, the General Partner or the Investment Manager. The Policy Owners have no right to consult with, directly or indirectly, or engage in communication with the General Partner or the Investment Manager with respect to their indirect investment in the Fund.

The rights of the Policy Owners are governed solely by such Policy Owners' contracts with their Insurance Company and not by the Partnership Agreement or the Fund's subscription agreement (the "Subscription Agreement"). None of the Fund, the Investment Manager or the General Partner will accept any instructions from the Policy Owners with respect to the investments made by the Fund, or have any liability to the Policy Owners.

The General Partner, in its sole discretion, may decline to accept the subscription of a prospective investor.

**MINIMUM SUBSCRIPTION:**

The minimum initial subscription is U.S. $500,000. The General Partner may accept initial subscriptions of a lesser amount. The General Partner may permit an initial subscription to be made in the form of marketable securities, subject to any terms and conditions the General Partner may impose. With the consent of the General Partner, additional Interests (as defined below) may be purchased on the first day of each month with the minimum incremental subscription amount being U.S. $50,000. The General Partner has complete discretion to determine the amount of, and the timing of, any additional subscriptions. If made in cash, investments in the Fund must be made by wire transfer, and any such cash must be received by the Administrator (as defined below) at least two Business Days prior to the subscription date, though the General Partner, in its sole discretion, may waive this requirement and allow any such cash to be received within two Business Days after the subscription date. "Business Day" means any day, other than Saturday or Sunday, on which the New York Stock Exchange is open for trading and the banks in New York are open for business or such other day as the General Partner may from time to time determine.

**INTERESTS:**

The Fund offers limited partner interests (the "Interests") privately to qualified investors who, upon admission to the Fund, will become its Limited Partners (such Limited Partners, together with the General Partner, the "Partners").

An individual capital account ("Capital Account") will be maintained for each Partner at the Fund, the opening value of which will in each case be equal to the amount of its subscription. Adjustments to Capital Accounts will take place from time to time as discussed herein. In the event that an existing Partner makes an additional subscription, the Fund may create an additional Capital Account for such additional amount.

Interests maintained by each Capital Account are available in two tranches: tranche E and tranche F.

Tranche E Interests and tranche F Interests (the "Quarterly Liquidity Interests") are identical in all respects, except that the participation of tranche F Interests in profits and losses from "new issues" will be limited as set out in "*Certain Risk Factors – New Issues and Non-Pro Rata Allocations*" below. The Quarterly Liquidity Interests will be invested in quarterly liquidity interests and quarterly liquidity shares of the Third Point Funds, as applicable, and in Fixed Income Investments.

The Fund, in the General Partner's sole discretion, may in the future offer Interests and/or establish, classes, sub-classes, series, tranches, sub-tranches or lots, in any case, with different offering terms including with respect to, among other things, the Incentive Fee, Management Fees (each, as defined below), withdrawal rights, minimum and additional subscription amounts, portfolios, denomination of currencies, informational rights and other rights. The General Partner may establish such Interests and/or new classes, sub-classes, series, tranches, sub-tranches or lots without providing prior notice to, or receiving consent from, existing Limited Partners. The General Partner will determine the terms of such Interests and/or classes, sub-classes, series, tranches, sub-tranches or lots, in its sole discretion.

**WITHDRAWALS:**

The Interests generally may be presented to the Fund for withdrawal, in whole or in part, as of the last day of any calendar quarter (on 65 days' prior written notice), subject to the imposition of the Fund-Level Gate (as defined below) as further described below, or at such other times, with the consent of, and upon such terms of payment as may be

approved or waived by, the General Partner, in its sole discretion (such dates being referred to as "Withdrawal Dates").

Partial withdrawals of Interests may only be made in amounts of U.S. $50,000 or greater, subject to waiver by the General Partner.

Fund-Level Gate

Notwithstanding anything to the contrary herein, aggregate withdrawals during any calendar quarter will be limited, at the General Partner's discretion, to 20% of the Fund's net asset value as of the last day of the calendar quarter (the "Fund-Level Gate"). If aggregate withdrawal requests with respect to any Withdrawal Date exceed the Fund-Level Gate then the General Partner may determine to limit withdrawals by the Limited Partners requesting such withdrawals up to the Fund-Level Gate on a *pro rata* basis based on the size of withdrawal requests received.

If any Limited Partner is prohibited from withdrawing some or all of the Interests in respect of which it has submitted a withdrawal request as of a Withdrawal Date as a result of the operation of the Fund-Level Gate, then such Limited Partner will be deemed to have made a withdrawal request with respect to the excess Interests for the immediately following Withdrawal Date (and any subsequent Withdrawal Date, as applicable), and will be subject to the imposition of the Fund-Level Gate, if applicable, for the following Withdrawal Date (and any subsequent Withdrawal Date, as applicable).

If any Limited Partner's withdrawal request is subject to the imposition of the Fund-Level Gate for three consecutive Withdrawal Dates, then such Limited Partner will be (subject to any limitations on withdrawal (other than the Fund-Level Gate) that may exist at the time) fully withdrawn (up to the amount of such Limited Partner's unsatisfied withdrawal request) from the Fund on the following Withdrawal Date.

Unless the General Partner consents to the withdrawal of any withdrawal request, a withdrawal request will be irrevocable. Payment of at least an estimated 95% of the aggregate withdrawal proceeds will ordinarily be effected within 10 Business Days following the applicable Withdrawal Date by wire transfer upon the request and at the expense of the withdrawing Limited Partner. The balance, if any, will be

paid to the withdrawing Limited Partner after the issuance of the final net asset value of the Fund for the month in which the withdrawal request was effected, but in any event within 60 days after the end of the month, subject to suspensions as detailed below. No interest will be paid on the withdrawal proceeds between the Withdrawal Date and the date(s) of actual payment.

Any of the conditions relating to withdrawals (including, without limitation, Withdrawal Dates, the Fund-Level Gate, notice periods and lock-up periods) may be waived or reduced by the General Partner, in its sole discretion, from time to time, subject to such terms and conditions deemed appropriate to the General Partner, with respect to one or more Limited Partners without notice to, or the consent of, the other Limited Partners.

In addition to the Fund-Level Gate described above, the portion of each Limited Partner's Capital Account that is invested in the Third Point Funds will indirectly be subject to a "gate" at the level of the Third Point Funds, which may limit redemptions/withdrawals to 20% of the net asset value of each Third Point Fund, in the discretion of the general partner or board, as applicable, of the relevant Third Point Fund.

Under exceptional circumstances deemed appropriate by the General Partner, a withdrawing Limited Partner may receive in-kind distributions from the Fund's portfolio, including, but not limited to, a distribution of interests in a liquidating entity or similar special purpose vehicle. For the purpose of determining the value to be ascribed to any assets or liabilities of the Fund used for an in-kind distribution, the value ascribed to such assets or liabilities will be the value of such assets or liabilities on the relevant Withdrawal Date and, for the avoidance of doubt, any Incentive Fee associated with such distribution will be calculated based on the fair value of the distributed assets or liabilities determined on such Withdrawal Date. In its discretion, the Investment Manager may provide assistance to a Limited Partner in liquidating such assets or liabilities at the risk and expense of the Limited Partner.

If the Fund proposes to make a distribution in-kind, unless a Partner consents, such distribution will include no more of any particular asset or liability than the Partner's *pro rata* share of such asset or liability (determined on a "look-

through" basis). In the event that a Partner consents to receiving a distribution in-kind that is greater than its *pro rata* share of such asset or liability, then such non *pro rata* distribution in-kind will only be made if the Fund is not materially and adversely affected by such distribution in-kind.

**SUSPENSION OF WITHDRAWALS AND VALUATIONS:**

Notwithstanding anything to the contrary contained herein, the General Partner, by written notice to the Limited Partners, may suspend fund asset valuations, withdrawals and/or payment of withdrawal proceeds: (i) during any period when any stock exchange or over-the-counter market on which the Fund's or the Third Point Funds' investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (ii) during the existence of any state of affairs as a result of which, in the opinion of the General Partner, disposal of Fund or Third Point Fund assets, or the determination of the net asset value of a Capital Account, would not be reasonably practicable or might prejudice the non-withdrawing Limited Partners, the Fund as a whole, or the Third Point Funds; (iii) during the existence of any state of affairs as a result of which disposal of a portion of the Fund's or the Third Point Funds' assets deemed significant by the General Partner is restricted under applicable U.S. or non-U.S. securities laws or regulations or the Investment Manager's consciously restrictive policies imposing trading limitations; (iv) during any breakdown in the means of communication normally employed in determining the price or value of any of the Fund's or the Third Point Funds' investments, or of current prices in any financial market as aforesaid, or when for any other reason the prices or values of any investments owned by the Fund cannot reasonably be promptly and accurately ascertained; (v) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the General Partner, be effected at normal rates of exchange; (vi) for any period during which such withdrawal would cause a material breach or default under any covenant in any *bona fide* financing agreements entered into by the Fund (or the Third Point Funds) and a person that is not an affiliate of the General Partner or the Investment Manager; or (vii) during the period in which the Fund or a Third Point Fund is winding down its business.

Where possible, all reasonable steps will be taken to bring

any period of suspension to an end as soon as possible.

In the event that the General Partner suspends fund asset valuations, withdrawals and/or payment of withdrawal proceeds, as described in this "*Suspension of Withdrawals and Valuations*," then, effective as of the first day of the first calendar quarter following the one-year anniversary of such suspension, the Management Fee rate will be reduced (but not below zero) by an amount equal to 0.0625% per quarter (0.25% per annum), and will be further reduced (but not below zero) during the relevant suspension period by an amount equal to 0.0625% per quarter (0.25% per annum) as of the first day of each second calendar quarter thereafter. Any such reduced rate shall remain in effect until the General Partner terminates such suspension and the Management Fee rate shall be reset to the applicable rate described in this Memorandum as of the first day of the calendar quarter following the date on which such suspension is terminated. By way of example, if the General Partner suspends fund asset valuations effective as of February 1, 2022, then, the Management Fee rate applicable to Quarterly Liquidity Interests will be reduced from 0.50% (2.00% per annum) to 0.4375% (1.75% per annum) effective as of April 1, 2023, and will be further reduced to 0.375% (1.50% per annum) effective as of October 1, 2023. The management fee charged by a Third Point Fund will also be similarly reduced in the event the general partner or board, as applicable, of such Third Point Fund suspends fund asset valuations, withdrawals and/or payment of withdrawal proceeds.

The General Partner may require any Limited Partner to withdraw from the Fund and/or terminate all or any part of a Partner's Capital Account during the period in which valuations and/or withdrawal rights are suspended.

**TRANSFER:**

No sale, assignment, transfer, conveyance, pledge, charge, hypothecation, exchange or disposition (in each case, whether direct, indirect or synthetic) of Interests will be accepted without the prior written consent of the General Partner, which consent may be granted or withheld at the sole discretion of the General Partner, and any attempted sale, assignment, transfer, conveyance, pledge, charge, hypothecation, exchange or disposal (in each case, whether direct, indirect or synthetic) without such consent will be invalid and may subject such Capital Account to compulsory withdrawal.

Limited Partners should have no expectation that the General Partner will consent to any sale, assignment, transfer, conveyance, pledge, charge, hypothecation, exchange or disposition. Prospective Limited Partners are required to represent that they will be acquiring their Interests for investment purposes only and not with a view to resale or distribution. The Interests have not been registered under the Securities Act or any other securities laws, and therefore are subject to restrictions on transfer under the Securities Act and under other jurisdictions' securities laws. It is not anticipated that a market for the Interests will ever develop.

**COMPULSORY WITHDRAWALS:**

The Fund reserves the right, upon prior written notice by the General Partner, to call any or all of a Limited Partner's Capital Account for withdrawal at any time. In such an event, the General Partner will have the irrevocable power to act in the name of such Limited Partner to withdraw its Interests. The General Partner may require withdrawal of any Limited Partners having an amount less than $100,000 in their Capital Account.

In the event of any compulsory withdrawal, the withdrawal amount will be the net asset value of the Interests to be withdrawn on such Withdrawal Date. Such Limited Partner will have no Limited Partner rights with respect to the Interests to be withdrawn after the close of business on the date as of which the withdrawal amount was calculated, except the right to receive the withdrawal amount therefore.

**KEY PERSON:**

If at any time Mr. Loeb is no longer actively engaged in formulating the investment philosophy of the Investment Manager, whether by death, disability, ceasing to directly or indirectly control the Investment Manager or the General Partner, or otherwise (a "Key Person Event"), the Fund will promptly notify all Limited Partners. Within 30 days following the Key Person Event, the General Partner will determine a date on which Limited Partners may withdraw their Interests as of a month end not earlier than 60 days, nor later than 120 days, following the Key Person Event (such withdrawal date, the "Key Person Withdrawal Date" and the period from the Key Person Event to the Key Person Withdrawal Date being the "Interim Period"). During the Interim Period, a Limited Partner may request to withdraw any or all of its Interests in the Fund, upon at least 30 days' prior written notice to the Fund, as of the Key Person Withdrawal Date. The Fund-Level Gate will not apply to any

such withdrawal, and distribution of such withdrawal proceeds will be made on the terms described above for regular withdrawals. Regular withdrawal requests are expected to be suspended during the Interim Period so as to facilitate an orderly transition in the management of the Fund's affairs, provided that the General Partner may determine, to the extent prudent, to meet withdrawal requests and distribute withdrawal proceeds during the Interim Period on a *pro rata* basis based on the size of withdrawal requests received, in whole or in part, with respect to all withdrawal requests, whether quarterly or arising in connection with the Key Person Event.

**TERMINATION OF THE FUND:**

The Fund will be wound up upon the earlier of the following: (i) within 60 days of the removal, dissolution, entry of an order for relief or filing of a bankruptcy petition or withdrawal of the General Partner, unless within such 60 days not less than a majority-in-interest of the then-Limited Partners appoint a successor General Partner and elect to continue the business of the Fund; (ii) in the discretion of the General Partner, upon prior written notice to the Limited Partners; (iii) at any time, upon the written consent of all the Limited Partners and the General Partner; or (iv) any other event causing the dissolution of the Fund under the laws of the State of Delaware. Upon the occurrence of one of the above events, the Fund will begin to liquidate its portfolio investments immediately and will distribute the proceeds to Limited Partners as quickly as practically possible. Although certain distributions may be made in the form of securities or other assets, the Fund will distribute cash to the extent possible. It is anticipated that withdrawals would be suspended during the period of time that the Fund is being wound up, liquidated and dissolved. Due to market conditions and transaction costs, it is likely that the net asset value of a Limited Partner's Capital Account after such liquidation will be lower than the termination level.

On dissolution of the Fund, the General Partner (or if there is no General Partner, one or more persons selected by a majority-in-interest of the then-Limited Partners) will wind up the Fund's affairs and will distribute the Fund's assets in cash or in-kind in the following manner and order: (1) in satisfaction of the claims of all creditors of the Fund, other than the General Partner; (2) in satisfaction of the claims of the General Partner as a creditor of the Fund; and (3) any balance to the Partners in the relative proportions that their

respective Capital Accounts bear to each other, such Capital Accounts to be determined as of the Fiscal Year (as defined below) of the Fund ended on the date of the final liquidation. Any distribution of assets or liabilities in-kind will be allocated to the Partners by the General Partner, to the extent practicable on a proportionate basis.

**ALLOCATIONS:**

At the end of each Fiscal Period (as defined below) of the Fund, any net capital appreciation or net capital depreciation will be allocated to all Partners (including the General Partner) in proportion to their respective Capital Accounts as of the beginning of such period. The total proceeds received (or deemed received) in connection with such realized appreciation or depreciation are transferred to such Partners' Capital Accounts at the end of the Fiscal Period.

A "Fiscal Period" will commence on the first day following the last day of the immediately preceding Fiscal Period and end on the earliest of (i) March 31, June 30, September 30 or December 31 of the Fiscal Year; (ii) the day immediately preceding the day on which a new Limited Partner is admitted to the Fund; (iii) the day immediately preceding the day on which a Partner makes an additional capital contribution to the Partner's Capital Account; (iv) the day as of which there is a withdrawal from a Partner's Capital Account; (v) the date of final winding up of the Fund; and (vi) such other date as the General Partner may determine.

To the extent feasible, expenses, fees and other liabilities will be accrued, and contingencies will be reserved, as appropriate, in accordance with U.S. generally accepted accounting principles ("GAAP"). Year-end net asset value calculations will be audited by the Fund's independent auditor. Notwithstanding the foregoing, the General Partner, in its sole discretion, may provide reserves and holdbacks for estimated accrued expenses, liabilities and contingencies, including general reserves and holdbacks for unspecified contingencies (even if such reserves or holdbacks are not required by GAAP). All such reserves or holdbacks could reduce the amount of distribution on withdrawal.

Upon the determination of the General Partner that such holdback is no longer needed, the remainder (if any) of the holdback, and the estimated interest that the Fund earned thereon or is attributed thereto (in each case, if any) will be distributed or credited, as applicable, to the Capital Accounts

for which such holdback was established.

**VALUATION:**

The General Partner is responsible for the valuation of the assets of the Fund, and the General Partner and its affiliates are also responsible for the valuation of the securities and instruments held by the Third Point Funds. The General Partner has delegated the creation and application of the valuation policies to the Investment Manager, which has established a Valuation Committee (the "Committee"). The Investment Manager is responsible for the initial valuation of all positions, and coordinates with the Administrator in determining net asset value. Ultimately, if the Administrator is unable to determine the net asset value due to a valuation issue, the auditor will be consulted and may make a decision based on all reasonably available information.

The Investment Manager has put in place a written valuation policy, which has been approved by the General Partner. The policy is subject to revision from time to time. A summary of the Investment Manager's then-current valuation policy is available to any Limited Partner or potential Limited Partner upon request.

The summary of the valuation policy with respect to the securities and instruments held by the Fund and the Third Point Funds as of the date of this Memorandum is as follows:

*Listed Securities*

Listed securities are priced at the last price provided by a nationally-recognized exchange. Listed securities bearing a resale restriction are priced with a discount for lack of marketability ("DLOM"). The DLOM applied is generally 10% on an annualized basis, which is amortized straight-line until the restriction lapses. In certain circumstances the Investment Manager may determine to utilize an option pricing model or other methodology to calculate the discount. This determination is made in the Investment Manager's sole discretion and in consideration of the facts and circumstances of the applicable security. Any deviation from the discount policy will be reviewed by the Committee and documented accordingly.

*Non-Listed Securities by Pricing Source or Type*

- For contract for differences, total return swaps and other instruments whose market price can be derived

by a direct reference instrument, the price is determined as per the listed securities discussed above with any applicable adjustments.

- For options, warrants and other instruments whose price can be derived by an indirect reference instrument, the price is determined by the Investment Manager using Bloomberg Analytics functions or an industry-recognized third-party valuation vendor.

- For corporate bonds, bank loans, or other related securities, the price will be based upon pricing obtained from an industry-recognized third-party vendor. The vendor pricing will be compared to either a single or the average of multiple broker quotes obtained by the Investment Manager, where such quotes are available. Differences between the primary and secondary sources exceeding +/-10% and a +/- $100,000 pnl impact will be investigated to determine the appropriate price. Where a third-party valuation vendor is not available or not deemed representative of fair value, a single or the average of multiple broker quotes obtained by the Investment Manager will be used. In instances where there are multiple broker quotes, outliers exceeding the +/- 10% may be discarded, and the Investment Manager may take an average of the remaining quotes or select the quote that it believes is the most representative of fair value.

- For swaptions or other derivatives with specific triggers, the price will be the value listed on the counterparty statements or an industry-recognized third-party valuation vendor.

- For credit default swaps, the price will be determined by an industry-recognized third-party valuation vendor or broker quotes.

- For asset-backed securities, the price will be determined via broker quotes or an industry-recognized third-party valuation vendor in accordance with the pricing hierarchy described in the valuation policy. If such sources are unavailable, the Investment Manager reserves the right to conduct an internal valuation.

- For investment manager-marked private securities or securities listed above where no market price is readily available, pricing will be determined using a variety of valuation techniques. The Committee will establish a threshold based on position size, for which third-party valuation experts will be retained on a quarterly basis to provide a range of valuations and the Committee will generally value such assets or liabilities in the middle of the valuation range provided by the third-party valuation expert. However, subject to the policies and procedures set forth in the valuation policy, the Committee reserves the right to value such assets or liabilities outside the valuation range provided by the third-party valuation expert. For valuations of assets or liabilities below such threshold, the Committee will perform an internal valuation supported by a written summary.

- If the Investment Manager believes that any resulting pricing does not represent fair value, the Investment Manager may elect to override such mark and memorialize in writing the reasons for its determination to do so.

- For investment in funds, pricing will be based on the last statement received and/or any additional estimates received from the fund adjusted for fees, if material.

- For digital assets (*e.g.*, cryptocurrencies such as Bitcoin) the price will be based on pricing obtained from an industry recognized third-party vendor. The vendor pricing will be compared to pricing provided either from the primary exchange on which the Fund trades such asset or from another third-party vendor. Differences between the primary and secondary sources exceeding 5% will be investigated to determine the appropriate price.

**MANAGEMENT FEES:** Pursuant to the Investment Management Agreement, the Fund will pay to the Investment Manager a fixed management fee, payable quarterly in advance, with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests, equal to 0.50% per quarter (2.00% per annum) of the net asset value of such Capital Account attributable to Fixed Income Investments (the "Management Fee"), prorated for intra-quarter withdrawals

or subscriptions, if any.

The Fund will not charge management fees with respect to any portion of the net asset value of a Capital Account attributable to investments in the Third Point Funds; however, each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests that is invested in the Third Point Funds will indirectly bear a management fee generally equal to 0.50% per quarter (2.00% per annum) of the net asset value of such Capital Account. The management fee of one or more of the Third Point Funds increases to the extent the leverage on such Third Point Fund exceeds the leverage on another Third Point Fund.

The Management Fee will be reduced by an amount equal to 0.0625% per quarter (0.25% per annum) to the extent the Fund has (i) been invested in the TP Funds (as defined below) continuously for five years or more ("Tenure") or (ii) Net Invested Amounts (as defined below) in an amount equal to $200 million or more. The applicable management fee with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests that is invested in the TP Funds will be similarly reduced during any such time that the Fund is entitled to the reduction described above. In the event that the Fund is no longer entitled to the Management Fee reduction described above, the applicable management fee with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests that is invested in the TP Funds will no longer be reduced as described herein. See "*Certain Risk Factors – Fund and Third Point Fund Risks – Withdrawals by the Fund*" and "*Potential Conflicts of Interest – Withdrawals*."

"Net Invested Amounts" means, with respect to the Fund, the highest net asset value of the Fund's investment, in the aggregate, in Third Point Partners L.P., Third Point Partners Qualified L.P., Third Point Ultra Ltd., Third Point Ultra Onshore LP, Third Point Ultra Master Fund L.P., Third Point Offshore Fund, Ltd., Third Point Offshore Master Fund L.P. and any other investment funds or accounts with substantially similar investment strategies managed by the Investment Manager (collectively, the "TP Funds") as of the first day of any month; provided, that at any time the Fund makes a withdrawal (or redemption) from one or more of the TP Funds (but not including, for the avoidance of doubt, a withdrawal (or redemption) from one or more TP Funds and

subsequent subscription for the full amount of such withdrawal (or redemption) to one or more TP Funds for rebalancing, regulatory, diversification or similar purposes), the Net Invested Amounts is reset to the highest net asset value of the Fund's investment in the TP Funds as of the first day of any month starting on the date after such withdrawal (or redemption).[1]

The Investment Manager, in its sole discretion, may elect to reduce, waive or calculate differently the Management Fee with respect to any Limited Partner.

Notwithstanding the foregoing, the General Partner may elect to have the Management Fee paid to the Investment Manager (or to any of its affiliates) at the level of the Fund or any special purpose vehicle through which the investment program of the Fund is being effectuated without receiving consent from existing Limited Partners, for so long as such election does not result in any material adverse economic consequences to the Limited Partners.

The General Partner (or its affiliates) may, in its sole discretion, reduce, waive or calculate differently the management fees of the Third Point Funds with respect to any partner, member or employee of the Investment Manager, the General Partner or their affiliates that is an investor in the Third Point Funds, such person's family members and trusts or other entities established for the benefit of such person, his or her family members and/or for charitable purposes (each, a "Related Investor"). This may be effected by issuing a new tranche of interests, a rebate of the management fee or some other permissible means with respect to the Third Point Funds.

Any closing fees, directors' fees or break-up fees (net of

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[1] For illustrative purposes, suppose $200 million of the Fund's net assets had been invested in the TP Funds, which appreciated to $220 million. The Net Invested Amounts of the Fund would be $220 million (or any higher net asset value achieved by the Fund as a result of further appreciation or additional subscription(s)). Certain Limited Partners then withdraw their Interests, which causes the withdrawal of $15 million of the Fund's net assets from the TP Funds. After such withdrawal, the Net Invested Amounts of the Fund would be $205 million.

Now assume, alternatively, $200 million of the Fund's net assets had been invested in the TP Funds, which depreciated to $198 million. The Net Invested Amounts of the Fund would be $200 million. If, however, certain Limited Partners then withdraw their Interests, which causes the withdrawal of $10 million of the Fund's net assets from the TP Funds, the Net Invested Amounts of the Fund would be $188 million.

expenses attributable thereto and to any transactions not completed) paid to the Investment Manager or its affiliates as a result of the Third Point Fund's investments (collectively, "Transaction Fees") will be set-off to reduce the management fees paid by the Third Point Funds unless waived by the Investment Manager or its affiliates. If Transaction Fees for a particular quarter exceed the amount of management fees for such quarter, the excess will be applied to reduce management fees in subsequent quarters.

Certain of the Investment Manager's investment professionals and other third parties retained by the Investment Manager on behalf of the Third Point Funds may, from time to time, serve as board members or on the management team of companies in whose securities the Third Point Funds invest. It is the policy of the Investment Manager that any cash or other compensation paid, or benefits accrued, in either case, to the Investment Manager's employees (net of any taxes owed by the employee) for their service as board members or on the management team of a company are treated as an offset against the management fees paid by the Third Point Funds (with such compensation allocated among the Third Point Funds and the Affiliated Funds in such proportion as the Investment Manager deems fair and equitable to reflect their respective interests in such company). The Investment Manager will use commercially reasonable efforts to convert any equity or option component of such fees paid to board members of such companies into cash and will transfer such fees to the Affiliated Funds, or, if the Investment Manager determines such a transfer is too burdensome for the value to be received, the Investment Manager may waive the receipt of any stock-based compensation for such board member.

**INCENTIVE FEES:**

Pursuant to the Investment Management Agreement, at the end of each Fiscal Year, other than for an Unrecovered Loss Year (as defined below), 20% of the excess of the net capital appreciation attributable to Fixed Income Investments allocated to a Limited Partner's Capital Account for such Fiscal Year over the Management Fee debited to such Limited Partner's Capital Account for such year will be paid to the Investment Manager (the "Incentive Fee").

If a Limited Partner withdraws all or a portion of its Capital Account other than at the end of a Fiscal Year, net capital appreciation or net capital depreciation attributable to Fixed

Income Investments, as the case may be, allocable to such Capital Account will be determined through the date of the withdrawal, and any Incentive Fee attributable to the portion withdrawn will be paid to the Investment Manager as set forth above.

The Fund will maintain a memorandum loss recovery account for the Capital Account of each Limited Partner (a "Loss Recovery Account"), the opening balance of which will be zero. At the end of each Fiscal Year, the balance in the Loss Recovery Account attributable to such Capital Account will be adjusted as follows: (1) if, in the aggregate, there is net capital depreciation attributable to Fixed Income Investments with respect to such Capital Account since the immediately preceding date as of which a calculation of an Incentive Fee was made (other than an Incentive Fee with respect to a withdrawal), there will be added to such Loss Recovery Account an amount equal to two and one-half times (250%) such net capital depreciation and (2) if there is net capital appreciation attributable to Fixed Income Investments (before Incentive Fees) with respect to such Capital Account in a Fiscal Year, any balance in a Loss Recovery Account carried over to that year will be reduced (but not below zero) by the amount of such net capital appreciation. For purposes of this paragraph, any net capital appreciation or net capital depreciation attributable to Fixed Income Investments will be calculated after taking into account Management Fees and any net capital appreciation or net capital depreciation attributable to Fixed Income Investments during such period that is not otherwise reflected in the Loss Recovery Account. The unrecovered balance in a Limited Partner's Loss Recovery Account and aggregate net capital depreciation attributable to Fixed Income Investments since the beginning of the Fiscal Year will be proportionately reduced for withdrawals from a Capital Account. Additional capital contributions will not affect a Limited Partner's Loss Recovery Account.

As used herein and unless otherwise indicated, the term "Incentive Fee" includes any Reduced Incentive Fee (as defined below).

As described above, generally each Loss Recovery Account of a Limited Partner must recover an amount equal to two and one-half times the amount of the net capital depreciation attributable to Fixed Income Investments allocated to it

before such Loss Recovery Account will reach zero. Until such time, a Limited Partner's Capital Account will be subject to a reduced Incentive Fee (the "Reduced Incentive Fee") in respect of net capital appreciation attributable to Fixed Income Investments allocated to it for a Fiscal Year (each such year, an "Unrecovered Loss Year"). Thus, notwithstanding that past allocations of net capital depreciation attributable to Fixed Income Investments have not been fully recovered, a Limited Partner will be subject to a Reduced Incentive Fee. However, such Reduced Incentive Fee will continue to apply even after all net capital depreciation attributable to Fixed Income Investments has been fully recovered until such time as the Loss Recovery Account (as credited with the 250% of net capital depreciation described above) reaches zero. The Reduced Incentive Fee will be calculated in the manner provided above for the Incentive Fee, except that the Incentive Fee rate will be reduced by half to 10%.

The Reduced Incentive Fee will apply only to the net capital appreciation attributable to Fixed Income Investments equal to the amount required to reduce the balance in a Loss Recovery Account to zero. For example, if a Limited Partner has a Loss Recovery Account balance of $250,000 (meaning that $100,000 of net capital depreciation attributable to Fixed Income Investments had been allocated to such Limited Partner's Capital Account), the next $250,000 of net capital appreciation will be subject to the Reduced Incentive Fee at a 10% rate, rather than a 20% rate, with the result that $250,000 will be debited to the Loss Recovery Account.

Once such Loss Recovery Account is reduced to zero, any additional net capital appreciation attributable to Fixed Income Investments will be subject to the regular Incentive Fee rate of 20%.

The Investment Manager, in its sole discretion, may elect to reduce, waive or calculate differently the Incentive Fee with respect to any Limited Partner.

Notwithstanding anything to the contrary contained herein, the General Partner may elect to have the Incentive Fee paid to it (or to any of its affiliates) at the level of any special purpose vehicle through which the investment program of the Fund is being effectuated without receiving consent from existing Limited Partners, for so long as such election does not result in any material adverse economic consequences to

the Limited Partners.

The Fund will not charge an Incentive Fee on any net capital appreciation attributable to the Fund's investment in the Third Point Funds; however, the Fund will indirectly bear incentive allocations equal to 20% of the excess of the net capital realized appreciation allocated to the Fund's capital accounts (or capital accounts corresponding to shares held by the Fund) in the Third Point Funds for such Fiscal Year, subject to customary high water marks.

The General Partner (or its affiliates), in its sole discretion, may elect to reduce, waive or calculate differently the incentive allocation with respect to a Related Investor in the Third Point Funds.

**ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT:**

International Fund Services (N.A.), L.L.C. (the "Administrator" or "IFS") has been retained by the Fund to perform administrative services, including tax and accounting functions. The Administrator maintains the Fund's financial, accounting and corporate books and records, conducts anti-money laundering screening, acts as the registrar, transfer agent and withdrawal agent for the Fund's Interests and furnishes all other administrative and clerical services necessary to maintain the Fund's principal office.

The Administrative Services Agreement between the Fund and the Administrator (the "Administration Agreement") provides that the Administrator will be fully liable to the Fund for any and all liabilities or expenses arising out of the fraud, willful default, gross negligence or willful misconduct of the Administrator or its employees or agents. Under the Administration Agreement, the Fund will indemnify the Administrator from and against any loss, liability, claim or expense (including reasonable attorneys' fees and disbursements) suffered or incurred by the Administrator in connection with the performance of its duties pursuant to the Administration Agreement, other than liability and expense arising out of the fraud, gross negligence or willful misconduct of the Administrator.

For its services to the Fund, the Fund will pay the Administrator a customary monthly fee on a sliding scale based on the Fund's total month-end net asset value (before withdrawals payable and accrued Incentive Fees), plus reimbursement for all out of pocket expenses, using

customary billing rates.

The Administration Agreement may be terminated at any time by either party thereto upon not less than 90 days' notice prior to June 1 of any year.

**OPERATING AND OTHER EXPENSES:**

The Fund will incur substantial fees and expenses whether or not any profits are realized.

The Fund will directly bear the costs relating to its ongoing existence and investment process, except as set forth below. In addition, the Third Point Funds will directly bear such similar costs relating to their ongoing existence and investment process (which costs are therefore indirectly borne by the Fund as an investor in the Third Point Funds). Costs which will be borne by the Fund, directly or indirectly (or shared among the Third Point Funds and the Affiliated Funds where applicable, as discussed below) include, but are not limited to:

*Investment and Trading*

- trade support services including, but not limited to, pre- and post-trade support software and related support services;

- research (including computer, newswire, quotation services, publications, periodicals, subscriptions, data base services and data processing that are directly related to research activities on behalf of the Fund and the Third Point Funds) and consulting, advisory, expert, investment banking, finders and other professional fees relating to investments or contemplated investments, whether charged as fixed fees (such as retainers) and/or performance-based fees and allocations, in the form of cash, options, warrants, stock, stock appreciation rights or otherwise and irrespective of whether (i) there is a contractual obligation to pay such fees or (ii) such third parties are engaged by the Fund or the Third Point Funds and/or their affiliates in a dedicated or exclusive capacity; provided, that the Fund will not (directly or indirectly) bear the costs of any third party who may be retained to provide trade idea generation to the Investment Manager or the Third Point Funds on an ongoing basis;

- risk analysis and risk reporting by third parties and risk-related and consulting services;

- fees of providers of specialized data and/or analysis related to companies, portfolio companies, sectors or asset classes in which the Third Points Funds have made or intend to make an investment;

- transactional expenses, including fees or costs related to due diligence, investigation and negotiation of potential investments, whether or not such investments are consummated; and

- brokerage commissions and services and similar expenses necessary for the Third Point Funds to receive, buy, sell, exchange, trade and otherwise deal in and with securities and other property of the Third Point Funds (including expenses relating to spreads, short dividends, negative rebates, financing charges and currency hedging costs).

For the avoidance of doubt, the Third Point Funds will directly bear (and the Fund will therefore indirectly bear) any costs (including legal costs) associated with contemplated or actual investments or proxy solicitation contests, the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related anti-trust or other regulatory filings) by the Investment Manager in connection with the Third Point Funds' investments, any compensation paid to individuals considered for nomination, nominated and/or appointed, at the Third Point Funds' request, to the board or credit committee (or any similar *ad hoc* committee) of a portfolio company (including any compensation paid in relation to serving in such capacity) and any related expenses (such as all costs incurred in connection with recruiting directors or members to serve on the board or credit committee (or any similar *ad hoc* committee) of a portfolio company, proxy solicitors, public relations experts, costs associated with "white papers," lobbying organizations to the extent reasonably determined by the Investment Manager to be employed in connection with investments or prospective investments of the Third Point Funds and public presentations). See "*Certain Risk Factors – Risks of Special Techniques – Engaged Investor*" for further information.

*Legal and Compliance*

- legal fees and related expenses incurred in connection with Fund and Third Point Fund investments or contemplated potential investments or the ongoing existence of the Fund and the Third Point Funds, including legal costs and related expenses of (i) the General Partner, the Investment Manager and their respective affiliates, their respective members, partners, directors, officers, employees and legal representatives (*e.g.*, executors, guardians and trustees), including persons formerly serving in such capacities (such as indemnification and advances on account of indemnification) that may be payable by the Fund or by the Third Point Funds pursuant to any of their indemnification obligations (see "*Management – The Investment Manager*" and "*Management – The General Partner*") (ii) claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative, which includes formal and informal inquiries and "sweep" examinations (whether cooperation with such inquiries is voluntary or mandatory) or requests in connection with the activities of the Fund), actual or threatened, in which the General Partner, the Investment Manager and their respective affiliates, their respective members, partners, directors, officers, employees and legal representatives (*e.g.*, executors, guardians and trustees), including persons formerly serving in such capacities, may be involved, as a party or otherwise, arising out of or in connection with such person's service to or on behalf of, or management of the affairs or capital of, the Fund, or which relate to the Fund or (iii) any threatened or actual litigation involving the Fund or the Third Point Funds, which may include monetary damages, fees, fines and other sanctions, whether as a result of such regulatory authorities or such commercial interests prevailing, or the Investment Manager determining to settle such threatened or actual litigation;

- legal and compliance third-party fees and expenses allocated to the Fund or the Third Point Funds to the extent the General Partner has reasonably determined that such services are related to, or otherwise benefitting, the organizational, operational,

investment or trading activities of the Fund or the Third Point Funds, including, without limitation, filing and registration fees and expenses (*e.g.*, expenses associated with regulatory filings, audits and inquiries with the SEC (as they relate to the offering of Interests as well as to assets and liabilities of the Fund and the Third Point Funds), the CFTC, the U.S. Federal Trade Commission and other regulatory authorities including foreign regulatory authorities, and any other filings or other undertakings required to be made in connection with the affairs of the Fund and the Third Point Funds or that otherwise relate to or are incidental to the Fund's or the Third Point Funds' organization (including the offering of Interests), administration, investments and operations, the affairs of the Fund, including Form PF, but excluding the preparation of Form ADV and other expenses determined by the Investment Manager to be primarily related to other filings to be made, as well as the establishment, implementation and maintenance of internal policies and procedures of the Investment Manager that are intended to facilitate the Investment Manager's compliance with respect to its "own" compliance obligations not directly related to any services provided to its clients (for instance, the Investment Manager's obligation to maintain registration with the SEC or to maintain records such as those specified in Rule 204-2(a) under the Advisers Act are its "own" obligations; but its obligations relating to, without limitation, research, trading, investments and monitoring of investments are not the Investment Manager's "own" obligations), as opposed to the compliance obligations of the Fund or the Third Point Funds);

*Organizational and Operational*

- 80% of the cost of any insurance premiums (other than wrongful employment practices insurance, premises liability insurance and insurance covering similar risks (*e.g.*, covering liabilities of the General Partner or Investment Manager in their capacity as an employer or landlord/tenant)) including the cost of any insurance covering the potential liabilities of the Fund, the General Partner, the Third Point Funds, the Investment Manager, each of their respective affiliates

or any agent or employee of the Fund, as well as the potential liabilities of any individual serving at the request of the Third Point Funds as a director of a portfolio company (such as directors' and officers' liability or other similar insurance policies and errors and omissions insurance or other similar insurance policies) (for purposes of utmost clarity, any deductibles or retentions pursuant to such insurance policies are liabilities to be borne in accordance with the Third Point Funds' indemnification obligations);

- third-party valuation services (including fees of pricing, data and exchange services and financial modeling services), fund accounting, auditing and tax preparation (including tax filing fees and any expenses incurred in order to satisfy tax reporting requirements in an investor's jurisdiction (if applicable) and other professional services and advisors), U.S. FATCA and similar non-U.S. statutory and regulatory regimes (as defined below – see "*Certain Tax Considerations*");

- management fees;

- organizational and offering expenses (including the cost of updating this Memorandum and the confidential private placement memoranda of the Third Point Funds and other relevant documents, the negotiation of side letters and any related costs and legal and regulatory expenses associated with such offerings (*e.g.*, "blue sky" filings));

- expenses related to the maintenance of the Fund's and the Third Point Funds' registered offices, registered agents and corporate licensing;

- consultant and other personnel expenses of companies and non-U.S. offices formed for the purpose of facilitating and/or holding investments by the Third Point Funds ("Facilitation Expenses");

- costs and expenses related to acquisition, installation, servicing of, and consulting with respect to, order, trade and commission management products and services (including, without limitation, risk management and trading software or database

packages);

- fees of the Administrator;
- interest costs and taxes (including entity-level taxes and governmental fees or other charges payable by or with respect to or levied against the Fund or the Third Point Funds, their respective investments or to federal, state or other governmental agencies, domestic or foreign, including real estate, stamp or other transfer taxes and transfer, capital and other taxes, duties and costs incurred in connection with the making of investments by the Fund or the Third Point Funds in a portfolio to the extent not otherwise allocated to investors under the Fund documents or any Third Point Fund document);
- custodian and transfer agency services (including the costs, fees and expenses associated with the opening, maintaining and closing of bank accounts, custodial accounts and accounts with brokers on behalf of the Third Point Funds (including the customary fees and charges applicable to transactions in such broker accounts));
- wind-up and liquidation expenses; and
- other similar expenses related to the Fund and the Third Point Funds.

Any description in this Memorandum of the expenses that the Fund may bear (directly or indirectly) is not exhaustive. When allocating expenses, the Investment Manager must first determine whether such expenses are the Fund's "own" expenses (for example, because they fall within the categories noted above, are similar to such expenses or are extraordinary expenses of the Fund) and therefore are to be borne by the Fund or whether such expenses are expenses of the Investment Manager to be borne by the Investment Manager. These determinations will necessarily be subjective and may give rise to conflicts of interest between the interests of the Fund and the interests of the Investment Manager, who might otherwise bear such expenses.

Subject to certain exceptions such as tax or similar restrictions, all investment-related expenses will generally be shared by the Third Point Funds and the Affiliated Funds *pro*

*rata* to their participation (or expected participation) in that investment, while other covered expenses will generally be borne *pro rata* by the Third Point Funds and certain or all Affiliated Funds based on their relative net asset values. Certain expenses reasonably deemed attributable only to a particular Interest will generally be allocated to such Interest and similarly, certain expenses reasonably deemed attributable only to a Third Point Fund and/or certain of the Affiliated Funds will be allocated to such Third Point Fund and/or such Affiliated Fund(s) (as applicable). However, if such allocation of expenses would result in an outcome that the Investment Manager considers not to be fair or equitable, the Investment Manager may allocate expenses among the Third Point Funds and certain or all Affiliated Funds in a manner it determines to be fair and equitable.

While the Investment Manager may utilize certain information services, software, technology and data services paid for by the Fund for purposes benefitting also the Investment Manager (e.g., development of marketing materials utilizing such information services, software, technology and data services), the Investment Manager will not reimburse the Fund for such usage. For the avoidance of doubt, the Investment Manager is responsible for, and the Fund shall not pay: (i) travel expenses of its principals and employees (other than Facilitation Expenses as described above); (ii) the Investment Manager's own overhead expenses, including salaries, bonuses, benefits, rent and other overhead; and (iii) information services, software, technology and data services purchased primarily for the benefit of the Investment Manager's "own" purposes (but, for the avoidance of doubt, not those information services, software, technology and data services expenses described in the previous sentence).

As a result of the Investment Manager's integrated investment team, there could be instances where certain Affiliated Funds may not be bearing costs that are borne by the Fund, and such costs result in incidental benefits to such Affiliated Fund (or *vice versa*).

All expenses incurred in connection with the organization of the Fund, including the legal and accounting expenses and other costs incurred in organizing the Fund and in connection with the initial offering of the Fund's Interests, will be borne by the Fund. Such organizational costs may be amortized by

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| | the Fund for tax purposes over 180 months under Section 709 of Code, and for accounting purposes may be amortized over 60 months or such other period deemed appropriate by the General Partner. U.S. generally accepted accounting principles ("GAAP") may require that such costs be expensed when incurred for accounting purposes. Even if GAAP requires expensing when incurred, for purposes of determining the Fund's net asset value, such costs may be amortized over 60 months or such other period deemed appropriate by the General Partner in its discretion, and the net asset value determination therefore may differ from GAAP. Amortization of organizational expenses may, in certain circumstances, result in a qualification of the Fund's annual audited financial statements.<br><br>If a Limited Partner withdraws all or a portion of its Capital Account prior to the end of the period during which the Fund is amortizing expenses, the General Partner expects (but is not obligated) to accelerate a proportionate share (as determined based on the net asset value of such Limited Partner's Capital Account relative to the net asset value of the Fund) of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.<br><br>Additional fees may be levied on the Policy Owners directly by its Insurance Company or its service providers. |
| **RISK FACTORS:** | An investment in the Fund will involve a high degree of risk, including the risk of loss of the entire amount invested. The Third Point Funds' investment programs may utilize certain investment techniques, including derivatives, futures, swaps, options or other financial instruments and short sales, which practices can, in certain circumstances, substantially increase the adverse impact to which the Third Point Funds, and therefore the Fund, may be subject. There is no assurance that the Fund's or the Third Point Funds' investment objectives will be achieved, and results may vary substantially over time. See "*Certain Risk Factors*." |
| **POTENTIAL CONFLICTS OF INTEREST:** | Certain inherent conflicts of interest arise from the fact that the Investment Manager may carry on substantial investment activities for other clients and for their own accounts. For example, the Investment Manager serves as the investment manager of other investment funds and other vehicles, including the Affiliated Funds, Third Point Funds, as well as certain other investment funds and vehicles having |

substantially the same investment program as the Third Point Funds.

Investments will be allocated among the Affiliated Funds, Third Point Funds and other clients that have substantially similar investment strategies in a manner that the Investment Manager believes in good faith to be fair and equitable over time as described in "*Potential Conflicts of Interest – Allocation of Investment Opportunities; Aggregation of Trades*." The General Partner will endeavor to resolve any conflict of interest in a fair and equitable manner. See "*Potential Conflicts of Interest*."

**LEVERAGE:**

The Fund and the Third Point Funds have the power to borrow and will do so when deemed appropriate by the General Partner (or its affiliates), including to enhance the Fund's and the Third Point Funds' returns, make investments or meet withdrawal requests that would otherwise result in the premature liquidation of investments. The Third Point Funds also may invest in derivatives and other instruments or use other investment techniques, such as short selling, that have a similar leveraging effect on the Third Point Funds' investment portfolios.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment is likely to be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a substantial loss which would be greater than if the investments were not leveraged. See "*Certain Risk Factors – Risks of Special Techniques – Leverage*."

**REPORTS:**

The Administrator will distribute to Limited Partners monthly statements and the Fund will send Limited Partners an annual financial report of the Fund audited by the Fund's independent auditor. In addition, each Limited Partner will receive all information relating to its investment in the Fund that is necessary, in the sole discretion of the General Partner, for the preparation of the Limited Partner's Federal income tax returns.

Such reports and any other information provided to a Limited Partner may contain material, nonpublic information. Disclosing or trading on such information may be prohibited

under the laws of many jurisdictions, including the U.S. and U.K. In particular, a Limited Partner or other person in receipt of such information may be prohibited from acquiring or selling securities in any publicly traded entity advised by the Investment Manager that has overlapping investments with the Third Point Funds, until such information is no longer material and/or nonpublic.

The Fund, the General Partner, the Administrator, the Investment Manager or their respective delegates may deliver and make reports, statements and other communications, including performance information, available in electronic form, such as e-mail or by posting on a web site.

The Investment Manager's due diligence questionnaire is available to all investors upon request.

**INSURANCE/TAX-RELATED MATTERS:** The General Partner will manage the Fund as an insurance dedicated fund.

***Diversification Requirement:*** As discussed above, the Investment Manager will use its best efforts to allocate the Fund's assets among the Investments so that they are "adequately diversified" within the meaning of Section 817(h) of the Code and the rules thereunder. Neither the Fund nor the Investment Manager will have any obligation to (i) determine if any U.S. state's diversification requirements or other regulatory requirements applicable to insurance companies or insurance contract separate accounts are applicable to the Fund or to any Limited Partner or (ii) take any steps to facilitate compliance with any such requirements.

***Partnership Status:*** The Fund intends to operate as a partnership and not as a publicly traded partnership or association taxable as a corporation for U.S. federal income tax purposes. Accordingly, the Fund generally should not be subject to U.S. federal income tax on income or gains from its investment activities (except possibly in connection with tax audits). A summary of certain aspects of the income taxation of the Fund and its partners that should be considered by a prospective Limited Partner is described below under "*Certain Tax Considerations*."

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| **FISCAL YEAR:** | The fiscal year of the Fund ends on December 31 of each year (the "Fiscal Year"). |
| **INDEPENDENT AUDITOR:** | Ernst & Young LLP serves as independent auditor for the Fund. |

## CERTAIN RISK FACTORS

An investment in the Fund will involve a high degree of risk, including the risk of loss of the entire amount invested. The Third Point Funds' investment programs may utilize certain investment techniques and strategies, including leverage and short sales, and may purchase certain types of securities, such as derivatives, futures, swaps, warrants, options, mortgage-backed and other asset-backed securities or other financial instruments, which can, in certain circumstances, substantially increase the adverse impact to which the Third Point Funds, and therefore the Fund, may be subject. There is no assurance that the Fund's or the Third Point Funds' investment objectives will be achieved, and results may vary substantially over time. (References to securities herein refer to any and all types of financial instruments, unless the context suggests otherwise and references to the Fund herein includes the Third Point Funds, when the context so requires.) The following risk factors are not exhaustive and there may be additional risks that may negatively and materially affect the performance of the Fund. Prospective Policy Owners who may receive this Memorandum must refer to the separate offering documents for the applicable Policies for information relating to the risks associated with the purchase of the applicable Policies, which risks are not described in this Memorandum.

### 817(h) Diversification Risks

The Investment Manager will use best efforts to diversify the Fund's assets so they are "adequately diversified" within the meaning of Section 817(h) of the Code. The Investment Manager will use best efforts to ensure that no more than 55% of the value of the assets of the Fund will be invested in the securities of any one issuer, no more than 70% of such value will be invested in the securities of any two issuers; no more than 80% of such value will be invested in the securities of any three issuers; and no more than 90% of such value will be invested in the securities of any four issuers. However, there can be no assurance that the Fund will, at all relevant times, be able to attain such diversification goal or that the Fund's diversification goal will not change due to changing circumstances, including changes in the Code and the regulations promulgated thereunder. If the Investment Manager has reason to believe that the Fund has ceased to meet such diversification requirements, then the Investment Manager will take all reasonable steps to comply with such diversification requirements within the grace period afforded under Treasury Regulation Section 1.817-5 (*i.e.*, within 30 days after the end of each calendar quarter). None of the Fund, the General Partner nor the Investment Manager will have any obligation to (i) determine if any U.S. state's diversification requirements or other regulatory requirements applicable to insurance companies or insurance contract separate accounts are applicable to the Fund or to any Limited Partner or (ii) take any steps to facilitate compliance with any such requirements.

### Business Risks

*Overall Investment Risk.* All investments involve the risk of loss of capital. The securities to be purchased and traded by the Third Point Funds will be speculative in nature, and the markets in which the Third Point Funds will transact will be highly competitive. Changes in general domestic and international economic and political situations and conditions, including fluctuations in interest rates, the availability of credit, recession and other factors may adversely affect the Third Point Funds' investments. The investment horizon, and consequently the

duration, of many of the Third Point Funds' investments may be longer than the investment period of Limited Partners in the Fund. Consequently, Limited Partners withdrawing their Interests from the Fund may not benefit from potential value embodied in the investments held by the Third Point Funds at the time of their withdrawal. The investment techniques and strategies to be employed by the Investment Manager in an effort to meet the Third Point Funds' investment objectives may increase this risk. There can be no assurance the Investment Manager's techniques and strategies will be successful, or that the Third Point Funds will not incur losses, which could be meaningful. Accordingly, any investment should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

*Flexible Investment Approach*. The Investment Manager has broad and unfettered investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Third Point Funds achieve their investment objectives. Additionally, the strategies that the Investment Manager may pursue for the Third Point Funds are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. The Investment Manager has broad latitude with respect to the management of the Third Point Funds' risk parameters. The Third Point Funds are subject neither to any hard limits regarding diversification of investments nor to formal leverage policies limiting the leverage to be used by the Third Point Funds. The Investment Manager will opportunistically implement whatever strategies, risk management techniques or discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. Limited Partners must recognize that by investing in the Fund, they are placing their capital indirectly under the discretionary management of the Investment Manager and authorizing the Investment Manager indirectly to trade for the Third Point Funds and to implement whatever strategies, risk management techniques or discretionary approaches, as well as such other investment tactics, in such manner as the Investment Manager may determine. The Investment Manager may use such leverage, position size, duration and other portfolio management techniques as it believes are appropriate for the Third Point Funds.

Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings which could result in unsuccessful investments and, ultimately, losses to the Third Point Funds. In addition, any new investment strategy, technique and tactic developed by the Third Point Funds may be more speculative than previously utilized investment strategies, techniques or discretionary tactics and may involve material and as-yet-unanticipated risks that could increase the overall risk associated with an investment in the Fund. While Limited Partners will receive monthly reports and quarterly letters describing certain characteristics of the Fund's portfolio (but which may exclude certain information, including confidential or proprietary information), Limited Partners generally will not be notified of any changes in the Investment Manager's strategies, techniques, discretionary approach and tactics. There can be no assurance that the Investment Manager will be successful in applying its approach and there is material risk that a Limited Partner may suffer significant impairment or total loss of its capital.

*Macro Strategy*. The Third Point Funds' macro investing will consist primarily of investing in global fixed income, currency, commodities and equity markets, and their related derivatives, in order to exploit fundamental, economic, financial and political imbalances that may exist in and among markets throughout the world. The success of the Investment Manager's macro investing depends on the Investment Manager's ability to identify and exploit such perceived imbalances. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that the Investment Manager will be able to locate investment opportunities or to exploit such imbalances. In the event that the theses underlying the Third Point Funds' positions fail to be borne out in developments expected by the Investment Manager, the Third Point Funds may incur losses, which could be substantial.

*Distressed Securities*. The Third Point Funds may purchase securities and other obligations of companies that are in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth or facing special competitive or product obsolescence issues or that are involved in bankruptcy or reorganization proceedings, liquidation or other corporate restructuring. Although such purchases may result in significant returns, they involve a substantial degree of risk that can result in substantial or total losses and may not show any return for a considerable period of time (if at all). In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. Among the problems involved in assessing and making investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the condition of such issuer. These types of investments require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by the Third Point Funds and/or the Investment Manager. To the extent that such proceedings arise, the Third Point Funds may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, participation in such proceedings may restrict or limit the Third Point Funds' ability to trade certain securities. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Third Point Funds invest, the Third Point Funds may lose their entire investment or may be required to accept cash or securities with a value less than the Third Point Funds' original investments.

The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market prices of such securities to reflect their intrinsic values. In addition, it is anticipated that some of such securities in the portfolio of the Third Point Funds may not be widely traded, and that the Third Point Funds' positions in such securities may be substantial in relation to the market for such securities.

*Fixed Income Securities Generally*. The Third Point Funds may, and the Fund may, invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bank debt, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and other asset-backed securities. These securities may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity (*i.e.*, market risk), government interference, economic news and investor sentiment.

The Third Point Funds' fixed income 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 Third Point Funds earlier than expected. This may happen when there is a decline in interest rates, or when a borrower's performance allows the refinancing of certain classes of debt with lower cost debt. To the extent such early prepayments increase, they may have a material adverse effect on the Third Point Funds' investment objectives and the profits on capital invested in fixed income investments. As with other investments made by the Third Point Funds, there may not be a liquid market for any of the debt instruments in which the Third Point Funds invest, which may limit the Third Point Funds' ability to sell these debt instruments or to obtain the desired price. The Third Point Funds may also purchase loans as participations and act as a provider for warehousing (or similar accommodations) for any financial instruments, and the Third Point Funds may be subject to the credit risk of the selling financial institution as well as that of the underlying borrower.

The Third Point Funds may attempt to take advantage of undervalued fixed income securities or relative mispricings in disrupted credit markets. The identification of attractive investment opportunities in disrupted credit markets is difficult and involves a significant degree of uncertainty. During periods of "credit squeezes" or "flights to quality," the market for fixed income investments can become substantially reduced. This poses a particular risk that leveraged credit instrument positions held by the Third Point Funds may need to be sold at discounts to fair value in order to meet margin calls. At the same time, the dealers may correspondingly reduce the value of outstanding positions, resulting in additional margin calls as loan to value triggers are hit under prime brokerage and swap agreements.

*Corporate Bonds*. The Third Point Funds may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates decline, the value of the Third Point Funds' corporate bonds can be expected to rise, and when interest rates rise, the value of those securities can be

expected to decline. Bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Many such bonds are unsecured, which makes them less likely to be fully repaid in the event of a bankruptcy.

*High Yield Securities*. The Third Point Funds may invest in "high yield" debt and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold and could result in the Third Point Funds being unable to sell such securities for an extended period of time. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. Minor economic downturns could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

*Ratings of Instruments May Not Accurately Reflect Risks.* Rating agencies rate debt instruments based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt instruments. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While the Investment Manager gives some consideration to ratings, ratings often are not fully indicative of the actual credit risk of the investments in rated instruments.

*Bank Loans*. The Third Point Funds may invest in loans and loan participations originated by banks and other financial institutions. These investments may include highly-leveraged loans to borrowers with below investment grade credit ratings. Such loans are typically private corporate secured loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower (whose equity may be publicly-traded) often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that the Third Point Funds obtain such information and it is material and nonpublic, the Third Point Funds may be unable to trade in the other securities of the borrower until the information is

disclosed to the public or otherwise ceases to be material, nonpublic information. A failure by the Third Point Funds to advance requested funds to a borrower could result in claims against the Third Point Funds and in possible assertions of offsets against amounts previously lent. Depending on the way in which the Third Point Funds acquire their interests in a bank loan, they may be exposed to credit risks of both the borrower and the institution which sold the Third Point Funds their interests in the loan. Also, bank loan transfers typically require consent of the issuer and agent bank, so the settlement period is longer and creates increased credit and counterparty risk.

*Asset-Back Securities Risks*. The Third Point Funds may invest in asset-backed securities structures. In addition to collateralized loan obligation ("CLO") risks described herein which will likely be applicable to such asset-backed securities investments, such investments may create additional risks such as the possibility of increasing student loan defaults, legal changes to student loan repayment programs and environmental hazards limiting air travel. Asset-backed securities structures are primarily exposed to the performance and credit risk of the underlying collateral, which may also include consumer receivables, commercial loans, investment grade credit, high-yield credit and leveraged loans.

Asset-backed securities are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of asset-backed securities backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related asset-backed securities. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the asset-backed securities may not have a proper security interest in all of the obligations backing such asset-backed securities. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in asset-backed securities is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting asset-backed securities is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. Asset-backed securities are often backed by pools of any variety of assets, including, for example, leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an asset-backed securities is affected by changes in the market's perception of the asset backing the securities and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

*Mortgage and Other Asset-Backed Securities*. The Third Point Funds may invest in mortgage-backed securities and other asset-backed securities, whose investment characteristics differ from corporate debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal

may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. Mortgage-backed securities and asset-backed securities may also be subject to call risk and extension risk. For example, because homeowners have the option to prepay their mortgages, the duration of a security backed by home mortgages can either shorten (*i.e.*, call risk) or lengthen (*i.e.*, extension risk). In general, if interest rates on new mortgage loans fall sufficiently below the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to increase. Conversely, if mortgage loan interest rates rise above the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to decrease. In either case, a change in the prepayment rate can result in losses to investors. If the Third Point Funds purchase securities that are subordinated to other interests in the same mortgage pool, the Third Point Funds may only receive payments after the pool's obligations to other investors have been satisfied. The Third Point Funds may from time to time invest in structures commonly known as "Re-REMICS," in which case they will purchase an interest in a trust that owns mortgage-backed securities. Re-REMICS issue senior and junior tranches and the Third Point Funds usually buy the junior, subordinated tranche. An unexpectedly high rate of default on mortgages in the mortgage pools serving as collateral for the Third Point Funds' securities may limit substantially the applicable pool's ability to make payments to the Third Point Funds as holders of securities, which may reduce the value of those securities or render them worthless.

The residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance of the Third Point Funds. Delinquencies, default and foreclosure rates with respect to residential mortgage loans remain high (compared to pre-crisis levels), and increases in delinquencies, defaults and foreclosures since 2006 have not been limited to sub-prime mortgage loans. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on residential mortgage loans, particularly with respect to second homes and investor properties and with respect to any residential mortgage loan, the aggregate loan amount of which (including any subordinate liens) is close to or greater than the related property value. Many states and localities have also experienced a significant increase in foreclosures. Foreclosure sales tend to depress home prices, thereby making it more difficult for borrowers to refinance and increasing the rate of defaults.

In response to these circumstances, U.S. federal, state and local authorities have enacted and continue to propose new legislation, rules and regulations relating to the origination, servicing and treatment of mortgage loans in default or in bankruptcy.

These initiatives could result in delayed or reduced returns on mortgage-backed securities. Changes in laws and other regulatory developments relating to mortgage loans may impact the Third Point Funds' investments in mortgage-backed securities in the future.

Additionally, the exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. Furthermore, while the Third Point Funds will not make direct ("physical") real estate investments, there may be circumstances where the Third Point Funds will own real estate property as part of a required foreclosure on, or receipt of a deed in lieu of foreclosure from, a defaulted borrower or otherwise in connection with other real estate related investments. If the

Investment Manager decides to dispose of the property following such foreclosure or receipt of such deed in lieu of foreclosure, it may not be able to find a third-party buyer it deems suitable for such property for an indeterminate amount of time. In certain circumstances, the Third Point Funds may also become liable upon taking title to an asset for environmental or structural damage existing at the property. Finally, the holding and managing of real estate property is not part of the Third Point Funds' investment strategy and the management and ultimate liquidation of these properties may detract from the Investment Manager's ability to execute the Third Point Funds' investment objectives. These circumstances may reduce returns and subject the Third Point Funds to unexpected legal and regulatory proceedings.

In addition, numerous residential mortgage loan lenders that originated sub-prime mortgage loans are no longer operating or are otherwise unable to lend in significant amounts. Those difficulties have resulted in part from declining markets for mortgage loans, as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. The risk of such defaults is generally higher in the case of mortgage pools that include "sub-prime" mortgages.

Certain of the risks noted above in respect of mortgage-backed securities also apply to other types of asset-backed securities.

Asset-backed securities secured by consumer loans may be subject to additional risks, including increased instances of nonperformance, which may result from over-leverage, the need for rehabilitation of the borrower or poor management by the related servicer. Modifications to nonperforming consumer loans may also adversely affect the performance of such securities as a result of principal or interest reductions on the underlying consumer loans. The secondary market for consumer loan asset-backed securities is limited, as is the market for the sale of consumer loans (whether performing or non-performing) in the event that any trustee of such securities attempts to sell the underlying collateral upon an event of default. Moreover, consumer loan origination may be subject to increasing regulation, which may result in substantial diminution of the market value of related asset-backed securities and the consumer loans themselves.

A 2015 court decision regarding the application of usury laws to non-bank holders of consumer loans may also impact the market for securitized consumer loan products by making such products less profitable to non-bank holders, which could have an adverse effect on the Third Point Funds' investments in any consumer loan-backed asset-backed securities.

The Third Point Funds may also purchase consumer and other loans from an originator or other third party and "warehouse" such loans until it has, along with the Affiliated Funds, accumulated a critical mass sufficient to securitize. The Third Point Funds will assume the risk of market value and credit quality changes in such warehoused loans from the date such warehoused loans are acquired by the Third Point Funds to the securitization date. There is a risk that the Third Point Funds may not be able to accumulate sufficient loans for such securitization purposes, in which case the Third Point Funds may be required to hold the related loans until maturity. In addition, asset-backed security warehouse facility structures continue to evolve, in part to address new regulatory concerns and in part to react to market preferences. In

the event that the warehouse structure adopted by the Third Point Funds in financing consumer loans becomes a disfavored or regulated structure, this could expose the Third Point Funds to additional risk (*e.g.*, the failure to syndicate or the increased expense of restructuring to comply with regulation).

The Third Point Funds may also purchase accounts receivable, and warehouse and/or securitize such accounts receivable. Such accounts receivable are subject to similar risks as those disclosed above for loans. In addition, in certain circumstances the Third Point Funds hold a participation interest in accounts receivable or a loan rather than the accounts or loans themselves. In such circumstances, the Third Point Funds may not have the rights to enforce compliance by the account debtor or borrower, may not have the right to object to or vote on changes to the underlying credit documentation, and may not benefit from set-off rights or a senior claim in the bankruptcy of the underlying debtor or borrower. Further, participation interests are subject to comparatively greater liquidity and financing risks than the underlying accounts receivable or loans.

The Third Point Funds' investments in mortgage and other asset-backed securities may expose it to additional risks arising out of the new "risk retention" rules applicable to such securitizations. Such rules are already in effect for residential mortgage-backed securities and other asset-backed securities. Under these rules, sponsors of securitizations must retain at least 5% of the credit risk of the assets being securitized (via holding an eligible vertical interest, an eligible horizontal residual interest, or some combination of the two). While the Third Point Funds have engaged advisors to structure their investments and intend their investments and structure to be compliant with these rules, they are new and untested. The final risk retention rules are silent with respect to the consequences of non-compliance. Whether or not intended, the SEC, the Federal Reserve, the Officer of Comptroller of the Currency or the Federal Deposit Insurance Corporation may determine that the Third Point Funds or one of their affiliates is a sponsor of one or more of the securitizations in which the Third Point Funds invest. Potential consequences of non-compliance could include civil monetary penalties, case-and-desist orders, industry bans or even rescission of contracts entered into in connection with the applicable securitization transaction, in which case the value of the Third Point Funds' investments in related securities may be reduced to zero. If any of these consequences or other enforcement methods available to the applicable agencies are applied to the sponsor of a securitization in which the Third Point Funds invest, partial or complete losses on the related securities may result and adversely affect the performance of the Third Point Funds.

*Commercial Mortgage-Backed Securities*. The Third Point Funds may invest in Commercial Mortgage-Backed Securities ("CMBS") and other mortgage-backed securities, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS contemplated to be acquired by a Third Point Fund may not be rated, or may be rated lower than investment-grade by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, or "B-pieces," have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly

rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by the rating organizations can be regarded as having extremely poor prospects of ever attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect the Third Point Funds from loss. As an investor in subordinated CMBS in particular, a Third Point Fund will be first in line among debt holders to bear the risk of loss from delinquencies and defaults experienced on the underlying mortgage collateral.

In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of nonpayment than are senior tranches of CMBS or CMBS backed by third-party credit enhancement. Many commercial mortgage loans underlying CMBS are effectively non-recourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related CMBS. Revenues from the assets underlying such CMBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop. Further, the inherent conflict of interest between junior and senior tranches in any mortgage-backed securities is exacerbated in a typical CMBS trust, where a special servicer is appointed to manage the underlying collateral by the most junior outstanding creditors.

The value of CMBS and other mortgage-backed securities in which the Third Point Funds may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline. Typically, commercial mortgage loans are not prepayable or are subject to prepayment penalties or interest rate adjustments, while the principal on most residential mortgage loans generally may be prepaid at any time without penalty. Because mortgage loans on commercial properties underlying CMBS often are

structured so that a substantial portion of the loan principal is payable at maturity, repayment of the loan principal often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

*Investments in CLOs*. Investments in CLO securities are extremely complex and are subject to a number of risks related to, among other things, changes in interest rates, the spreads of loans in the collateral pool, the rate of defaults and recoveries in the collateral pool, pre-payment rates, terms of loans purchased to replace loans in the collateral pool which have pre-paid, the exercise of remedies by more senior tranches and the possibility that no market will exist when a Third Point Fund seeks to sell its interests in CLO securities and other risks described herein. If a CLO fails to satisfy one of the coverage tests provided in its indenture, all distributions on those CLO securities held by the Third Point Fund will cease until that CLO brings itself back into compliance with such coverage tests.

The terms of loans held by CLOs may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on an obligation indirectly held by the Third Point Funds earlier than expected, either with no or a nominal prepayment premium. There is no assurance that a CLO will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may materially affect the performance of the Third Point Funds. Conversely, if the prepayment does not occur within the expected time frame, the term of the Third Point Funds may be longer than expected or the Third Point Funds may make distributions in kind.

CLO securities represent leveraged investments in the underlying collateral held by the CLO issuer. This leverage is intended to increase the cash flow available in respect of the amount invested by the holders as compared with the cash flow that would be available in respect of a comparable investment in a non-leveraged transaction. Due to the existence of leverage, changes in the market value of the CLO securities could be greater than the changes in the values of the underlying collateral of the relevant issuer, which itself may be subject to, among other things, credit and liquidity risk. Although the use of leverage creates an opportunity for increased returns on the CLO securities, it increases substantially the likelihood that the holders of the CLO securities could lose their entire investment if the pool of collateral held by such CLO entity is adversely affected.

Payments of principal of, and interest on, debt issued by CLOs, and dividends and other distributions on unsecured subordinated notes and preference shares and warehouse financings ("CLO Equity"), are subject to priority of payments. CLO Equity is subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CLO, holders of CLO Equity generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by CLO Equity and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CLOs is borne by the CLO Equity. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and

interest on such collateral. Excess funds available for distribution to the CLO securities will be reduced by losses occurring on the collateral, and returns on the CLO Equity will be adversely affected. Like other securities issued by CLOs, CLO Equity is payable solely from and to the extent of the available proceeds from the collateral held by the issuer. CLO Equity is part of the issued share capital of the issuer and is not secured. Except for the issuer, no person is obligated to pay dividends or any other amounts with respect to CLO Equity. Consequently, holders of the CLO Equity must rely solely upon distributions on the collateral. If distributions on such collateral are insufficient to pay required fees and expenses, to make payments on the debt securities of the issuer or to pay dividends or other distributions on CLO Equity, all in accordance with the applicable priority of payments, no other assets of the CLO issuer or any other person will be available for the payment of the deficiency. Once all proceeds of the collateral have been applied, no funds will be available for payment of dividends or other distributions on CLO Equity. Therefore, whether holders of CLO Equity receive a return equivalent to the repayment of the purchase price paid for CLO Equity and any additional return thereon will depend upon the aggregate amount of dividends and other distributions paid on the CLO Equity prior to any final redemption date and the amount of available funds on the final redemption date available for distribution to holders of CLO Equity. An investor in CLO Equity should understand distributions received over the life of the security constitute an undefined amount of interest and principal in a combined payment. As a result, the final payment received when a given CLO is called, redeemed, sold or liquidated is generally expected to be substantially less than the original cost of the investment even if the overall return on the investment may be positive.

In addition, the success of CLOs will depend, in part, on such CLO's ability to acquire loans on advantageous terms. In acquiring loans, CLOs compete with a broad spectrum of investors, some of which may be willing to provide capital on better terms (from a borrower's standpoint) than such CLOs. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns on CLO Equity in which a Third Point Fund invests and, therefore, returns to such Third Point Fund. Further, the terms of loans held by CLOs may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on an obligation indirectly held by a Third Point Fund earlier than expected, either with no or a nominal prepayment premium. There is no assurance that a CLO will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may materially affect the performance of such Third Point Fund. Conversely, if the prepayment does not occur within the expected time frame, the term of a Third Point Fund may be longer than expected or such Third Point Fund may make distributions in kind.

Relatively short-term credit facilities may be used to finance the acquisition of securities for any new CLO until a sufficient quantity of loans are accumulated, at which time the assets are refinanced through a securitization, such as a CLO issuance, or other long-term financing. As a result, there is the risk that a CLO will not be able to acquire, during the period that the short-term facilities are available, a sufficient amount of eligible loans to create a new CLO that will achieve its targeted return. There is also the risk that a CLO will not be able to obtain such short-term credit facilities or may not be able to renew any short-term credit facilities

after they expire should it be necessary to obtain extensions for such short-term credit facilities to allow more time to seek and acquire the necessary eligible instruments for a long-term financing.

Inability to renew or extend these short-term credit facilities may require a CLO to seek more costly financing for these assets or to lose the ability to utilize them in connection with the creation of a CLO issuance. In addition, conditions in the capital markets may make the creation of a CLO issuance less attractive when a sufficient pool of collateral is available. If such conditions were to exist and a CLO could not complete a CLO issuance prior to the expiration of such financing, the CLO may have to liquidate the investments that it had accumulated, potentially resulting in losses to the CLO. Any warehouse financing in which a Third Point Fund invests will generally be subject to the same or similar risks and conflicts as the risk attributable to CLO securities described herein. In addition, because the assets in which warehouse financings are used to acquire are the same as the assets acquired by CLOs, they are subject to the same investment-specific risks described herein.

*Insolvency of Structured Product (Mortgage-backed Securities and Asset-Backed Securities) Issuers*. Most structured products in which the Third Point Funds will invest (mortgage-backed securities, asset-backed securities, CLOs) will be structured as bankruptcy-remote transactions, so that the Third Point Funds will not have recourse to the parent/sponsor of the issuer in the event of any losses (and instead will have recourse only to the underlying collateral). If a court in a lawsuit brought by an unpaid creditor or representative of creditors of such an issuer, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the applicable structured product and, after giving effect to such indebtedness, the issuer: (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for this purpose varies. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was insolvent after giving effect to the incurrence of the indebtedness constituting the structured product or that, regardless of the method of valuation, a court would not determine that the issuer was insolvent upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer, payments made on the related structured product could be subject to avoidance as a preference if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on a structured product are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured.

*Risks Associated with Bankruptcy Cases*. Bankruptcy or insolvency proceedings are adversarial, lengthy, complex, involve multiple and diverse constituents seeking to maximize

their recovery from a debtor with limited assets (which often results in some classes of stakeholders receiving little or no recovery), and involve the exercise of equitable authority on the part of the bankruptcy court or other competent authority. Many of the events in or affecting bankruptcies or insolvencies are beyond the control of the creditors and other stakeholders such as the Third Point Funds. While such creditors and other stakeholders generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court or other competent authority would not approve actions that would be contrary to the interests of the Third Point Funds. Furthermore, there are instances under applicable law where creditors and equity holders (including the Third Point Funds as applicable) lose their ranking and priority.

Generally, the duration of a bankruptcy case can only be roughly estimated and such estimates may later prove inaccurate. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Third Point Funds and may be subject to unpredictable and lengthy delays. During such process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the company's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Third Point Funds' influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other changes with respect to, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, creditors and equity holders, in exceptional circumstances, may lose their ranking and priority as such when they take over management and functional operating control of a debtor if they are found to have exercised "domination and control" in a manner that adversely affected the debtors.

When a debtor seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), an automatic stay prevents anyone, including creditors, from foreclosing or taking any actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against a debtor prior to the date of the bankruptcy filing must petition the bankruptcy court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which such creditors have an interest will be "adequately protected" during the proceedings. If the bankruptcy court's assessment of adequate protection is inaccurate, creditors' collateral may be wasted without such creditors being afforded the opportunity to preserve it. Thus, even if a Third Point Fund holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the bankruptcy court. Bankruptcy proceedings are

inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and, because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment. There can be no assurance that the security interests will not be challenged vigorously and found defective in some respect, or that the Third Point Funds will be able to prevail against the challenge.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of certain inequitable conduct resulting in harm to other parties with respect to the affairs of a debtor filing for protection from creditors under the U.S. Bankruptcy Code. Creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of a debtor prior to its filing under the U.S. Bankruptcy Code. Serving on an official or unofficial creditors' committee, for example, increases the possibility that a Third Point Fund will be deemed an "insider" or a "fiduciary" of a company and may increase the possibility that the bankruptcy court would invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by such Third Point Fund in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination also may arise outside of the context of the Third Point Funds' committee activities. If a creditor is found to have interfered with the company's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. While the Third Point Funds will attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Third Point Funds will be able to successfully defend against them. In addition, if representation on a creditors' committee of a company causes a Third Point Fund or the Investment Manager to be deemed an affiliate of such company, the securities of such debtor- issuer held by such Third Point Fund may become restricted securities, which are not freely tradable.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other state or federal proceedings. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that the Third Point Funds will be able to defend against them successfully. Additionally, to the extent a Third Point Fund assumes an active role in any legal proceeding involving the debtor, such Third Point Fund could be prevented from disposing of securities issued by the debtor if such Third Point Fund possess material, non-public information concerning the debtor.

*Risks Relating to Fraudulent Conveyances and Voidable Preferences by Issuers*. Under U.S. legal principles, in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of securities (including a bankruptcy trustee), if a court were to find that the issuer did not receive fair consideration or "reasonably equivalent value" for incurring the obligation or for granting security, and that after giving effect to such obligation or such security, the issuer (a) was insolvent, (b) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital, or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate and avoid, in whole or in part, the obligation underlying an investment of the applicable Third Point Fund as a constructive fraudulent conveyance. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became due and matured. There can be no assurance as to what standard a court would apply to determine whether the issuer was "insolvent" after giving effect to the incurrence of the obligation in which such Third Point Fund invested or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence.

In addition, it is possible a court may invalidate, in whole or in part, the indebtedness underlying an investment of a Third Point Fund as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the obligor in satisfaction of such indebtedness. Moreover, in the event of the insolvency of an issuer of securities in which a Third Point Fund invests, payments made on such obligation could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before the issuer becomes a debtor in a bankruptcy case. In general, if payments on the obligation are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Third Point Fund to which such payments were made.

Even if the Third Point Fund do not engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance or preference law, there can be no assurance as to whether any lending institution or other party from which a Third Point Fund may acquire such security, or any prior holder of such security, has not engaged in any such conduct (or any other conduct that would subject the obligations under the security to disallowance or subordination under insolvency laws) and, if it did engage in such conduct, as to whether such creditor claims could be asserted in a U.S. court (or in the courts of any other country) against such Third Point Fund so that such Third Point Fund's claim against the issuer would be disallowed or subordinated.

*Bankruptcy Involving Non-U.S. Companies*. The Third Point Funds may invest in companies based in countries that are members of the Organisation for Economic Co-operation ("OECD") and other non-U.S. countries. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the

classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain, while other developing countries may have no bankruptcy laws enacted, adding further uncertainty to the process for reorganization.

*Investing in Emerging, Developing and Under-Developed Markets and Foreign Securities*. The Third Point Funds' investing in foreign securities may involve heightened risks in comparison to the risks of investing in domestic securities, including unfavorable changes in currency rates and exchange control regulations, reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions, transfer taxes and custody fees, local economic or political instability and greater market risk in general. In particular, investing in securities of issuers located in emerging, developing and under-developed market countries involves additional risks, such as: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economy; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information, and lack of reliable information, about issuers; (xi) lax regulation of the securities markets and inconsistent enforcement of existing regulations; (xii) less established tax laws and procedures; (xiii) additional taxes (for example, dividend and interest payments from, and capital gains in respect of, certain foreign securities may be subject to foreign taxes that may or may not be reclaimable); (xiv) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xv) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xvi) certain considerations regarding the maintenance of Fund securities and cash with non-U.S. brokers and securities depositories. Finally, many transactions in these markets are executed as a "total return swap" or other derivatives transactions with a financial institution counterparty, and as a result the Third Point Funds have counterparty credit risk with respect to such counterparty.

*Risk Arbitrage Transactions*. The Third Point Funds may also engage in risk arbitrage transactions where it will purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities in a proposed merger, exchange offer, tender offer or other similar transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer or other similar transaction. If the proposed merger, exchange offer, tender offer or other similar transaction later appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security purchased by the Third Point Funds may decline sharply and result in losses to the Third Point Funds. In certain transactions, the Third Point Funds may not be "hedged" against market fluctuations. This can result in losses even if the proposed transaction is consummated. In

addition, a security to be issued in a merger or exchange offer may be sold short by the Third Point Funds in the expectation that the short position will be covered by delivery of such security when issued. If the merger or exchange offer is not consummated, the Third Point Funds may be forced to cover their short positions at a higher price than their short sale price, resulting in a loss.

*Private Investments.* The Third Point Funds may invest in illiquid investments traditionally considered venture capital or private equity investments (as reasonably determined by the Investment Manager at the time of investment) ("Private Investments," and each, a "Private Investment"), provided, no Third Point Fund may invest more than 10% in all such investments in the aggregate (excluding any Side Pocket Investments (as defined below)), calculated at the time any such investment is made, and calculated to include any commitment to invest at a later date; provided, that each Third Point Fund may exceed the 10% aggregate position limit described above with respect to "follow-on" investments made by the Third Point Fund in connection with (i) pre-emptive rights, (ii) maintaining the Third Point Fund's equity percentages in the subject company or investment or (iii) otherwise preserving, protecting or enhancing the Third Point Fund's existing investment.

Notwithstanding anything to the contrary in the previous paragraph, the 10% aggregate position limit described above will become an 8% aggregate position limit as of January 1, 2022 (*i.e.*, no limited partner of a Third Point Fund may be exposed to any new Private Investment to the extent that such investment would cause such Third Point Fund's exposure to Private Investments to exceed 8% in the aggregate (excluding any Side Pocket Investments), calculated at the time any such investment is made, and calculated to include any commitment to invest at a later date). The 8% limitation described in the preceding sentence will be reduced to 6% on January 1, 2023 and will be further reduced to 5% on July 1, 2023. For the avoidance of doubt, each Third Point Fund may exceed the concentration limit described in this paragraph for purposes of "follow-on" investments as described in the immediately preceding paragraph.

Additionally, in an attempt to maintain parity in the portfolio composition of the Third Point Funds and the Affiliated Funds employing substantially the same investment strategies, each Third Point Fund may make additional Private Investments even though such investments may cause such Third Point Fund to exceed the aggregate position limits described above.

For the avoidance of doubt, equity securities that are registered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or equivalently "public" in non-U.S. jurisdictions, and debt instruments of all tenors and/or any equity securities issued in an exchange by or in connection with a restructuring of an existing portfolio company are not considered Private Investments for purposes hereof.

In addition, the Investment Manager may allocate all or a portion of any new Private Investment to side pocket investment accounts (each, a "Side Pocket Investment Account") for the benefit of limited partners of the Third Point Funds that elect to have increased exposure to Private Investments (such election, a "Side Pocket Election"). Any such Private Investment, to the extent so allocated, will be designated as a "Side Pocket Investment." The

General Partner, on behalf of the Fund, will determine whether to cause the Fund to make a Side Pocket Election in respect of each Third Point Fund. As of the date of this Memorandum, the General Partner has not caused, and does not intend to cause, the Fund to make a Side Pocket Election in respect of any of the Third Point Funds. As a result, the Fund, and in turn the Limited Partners, will have no direct or indirect exposure to any Side Pocket Investments. The Investment Manager will determine whether to designate all or a portion of a Private Investment opportunity as a Private Investment for the main fund portfolio of the Third Point Funds and/or as a Side Pocket Investment of the Third Point Funds (and the relative portions of such opportunity to be so designated) based on such factors as the Investment Manager determines to be relevant in its sole discretion, including, without limitation, size of the Third Point Funds, size of the portfolio company, risk/return profile, concentration, portfolio diversification, anticipated liquidity and other macro and micro factors. Without limiting the generality of the foregoing, to the extent the purchase of a Private Investment would result in a Third Point Fund exceeding the limitations described in the preceding paragraphs, or to the extent a Third Point Fund's then-current exposure to Private Investments exceeds the applicable limitation, then the Investment Manager may determine (but is not obligated) to allocate all or a portion of such Private Investment to the Side Pocket Investment Accounts and designate the portion of such investment so allocated as a Side Pocket Investment. For the avoidance of doubt, (i) Side Pocket Investments are not subject to the aggregate position limits set forth above and (ii) Side Pocket Investments and assets and liabilities attributable thereto (as determined by the Investment Manager in its sole discretion) will be disregarded for all purposes of calculating the aggregate position limits.

While most Private Investments will be undertaken directly by the applicable Third Point Fund, in exceptional circumstances, a Third Point Fund may make Private Investments through a private, pooled investment vehicle managed by a third party, including joint ventures, which may result in the Third Point Fund paying fees to a third party (such fees not to be offset). The Investment Manager will not cause a Third Point Fund to make any such investment unless it has determined that (i) doing so is the preferred manner to obtain exposure to an opportunity that is compelling when compared to other potential investments that the Third Point Fund could make and (ii) the expected return for the Third Point Fund in the investment significantly outweighs the lack of available liquidity, the fees to be charged and the expected duration of the proposed investment. Any such investment in a pooled vehicle will be subject to the limitations discussed above.

In addition, the Investment Manager may elect to invest in structures that afford relatively little or no operational and/or management control to the Third Point Funds, as well as enter into arrangements on terms that restrict the ability of the Third Point Funds to dispose of their investment for potentially significant periods of time. For the avoidance of doubt, any such structures and arrangements are not considered Private Investments for purposes hereof.

*Thinly-Traded, Non-Publicly Traded and Illiquid Securities*. Investments held by the Third Point Funds may be thinly-traded or may lack a liquid trading market altogether, which may result in the inability of the Third Point Funds to sell any such investment (or do so at desirable prices), or to close out a transaction (or do so at desirable prices) or to cover the short sale of an investment, thereby forcing the Third Point Funds to incur potentially unlimited losses.

Investments may be subject to limitations on resale. Limitations on resale may have an adverse effect on the marketability of portfolio investments and the Third Point Funds might be unable to dispose of investments purchased in private placements or other illiquid securities promptly or at reasonable prices. The Third Point Funds might also have to register such restricted investments in order to dispose of them resulting in additional expense and delay. In such circumstances, the Third Point Funds may be subject to additional potential liabilities as a seller of such investments under a registration statement or similar document. Adverse market conditions could impede such a public offering of investments.

Moreover, determining the fair value of thinly-traded, non-publicly traded and other illiquid investments is challenging and the values ascribed to such investments is likely to involve certain subjective assumptions.

Finally, since the Third Point Funds do not have a "side pocket" mechanism, if there are substantial withdrawals that are not offset by subscriptions and the Third Point Funds need to raise cash by selling investments, withdrawing investors are likely to be paid by the Third Point Funds through the sale of more liquid portfolio positions, thereby increasing the portion of the portfolio that is illiquid.

In connection with an investment in private securities, the Third Point Funds may assume, or acquire an interest in, a portfolio company subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized, they may materially adversely affect the value of a Third Point Fund investment. In connection with the disposition of an investment in private securities, the Third Point Funds may be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of a business. The Third Point Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies of a Third Point Fund.

*Private Investments in Public Equity.* The Third Point Funds may invest in private investments in public equity commonly referred to as a "PIPE" transaction. PIPE transactions will generally result in a Third Point Fund acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. Generally, in a PIPE transaction, a Third Point Fund would enter into a definitive purchase agreement with the company in which it commits to purchase securities at a fixed purchase price and the issuer would not be obligated to deliver additional securities to such Third Point Fund in the event of fluctuations in stock price or otherwise. As such, such Third Point Fund may bear the price risk from the time of pricing until the time of closing. The Third Point Funds' ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale or the availability of an exemption therefor. Any number of factors may prevent or delay a proposed registration or limit the number of securities which can be registered. There can be no guarantee that there will be an active or liquid market for the stock of any issuer of a PIPE security. As a result, even if securities acquired in a PIPE transaction are registered or a Third Point Fund sells such securities through an exempt transaction, such Third Point Fund may not be able to sell all the securities on short

notice, and the sale of some securities could lower the market price of the remaining, unsold securities.

*Mezzanine Debt*. It is expected that from time to time, the Third Point Funds may invest in mezzanine debt. Mezzanine debt typically is junior to the obligations of an issuer to senior creditors, trade creditors and employees. The ability of the Third Point Funds to influence such issuer's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which an issuer incurs a substantially higher amount of indebtedness than the level at which it previously had operated. Default rates for mezzanine debt instruments historically have been higher than for investment-grade instruments. In the event of the insolvency of an issuer or similar event, the Third Point Funds' debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

*Convertible Securities*. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on convertible securities may be less than that of a common stock equivalent if the yield on the convertible security is at a level that would cause it to sell at a discount. To the extent that convertible securities are rated lower than investment grade or not rated, there would be greater risk as to timely repayment of the principal of, and timely payment of interest or dividends on, those securities. In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of the Third Point Funds' holdings may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared or the issuer enters into another type of corporate transaction which increases its outstanding securities.

*Non-Recourse Obligations*. The Third Point Funds may invest in certain securities that are non-recourse obligations of issuers. Such securities are payable solely from proceeds collected in respect of collateral pledged by an issuer to secure such obligations. None of the security holders, officers, directors or incorporators of the issuers, trustees, any of their respective affiliates or any other person or entity will be obligated to make payments on the securities. Consequently, the Third Point Funds, as holders of the obligations, must rely solely on distributions of proceeds of collateral debt obligations and other collateral pledged to secure obligations for payments due in respect of principal thereof and interest thereon. If distributions of such proceeds are insufficient to make payments on the securities, no other assets will be available for such payments and following liquidation of all the collateral, the obligations of the issuers to make such payments will be extinguished.

*Debtor Risks*. A fundamental risk associated with the Third Point Funds' investment activities is that the portfolio companies in whose debt a Third Point Fund invests will be unable to make principal and interest payments when due or at all. Portfolio companies in which the Third Point Funds invests could deteriorate as a result of an adverse development in their business, a change in the competitive environment, an economic downturn or legal, tax, accounting or regulatory changes, among other factors. As a result, portfolio companies which the Third Point Funds expected to be stable may experience financial or business difficulties, including operating at a loss or having significant variations in operating results or requiring

substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

The portfolio companies in which the Third Point Funds invest may be highly leveraged, and there is no restriction on the amount of debt a borrower can incur. Such indebtedness may add additional risk with respect to such portfolio company, and could (i) limit its ability to borrow money for its working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; (ii) require it to dedicate a substantial portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing funds available to it for other purposes; (iii) make it more highly leveraged than some of its competitors, which may place it at a competitive disadvantage; and/or (iv) subject it to restrictive financial and operating covenants, which may preclude it from favorable business activities or the financing of future operations or other capital needs. In some cases, proceeds of debt incurred by a portfolio company could be paid as a dividend to stockholders rather than retained by the portfolio company for its working capital. Leveraged companies are often more sensitive to declines in revenues, increases in expenses, and adverse business, political, or financial developments or economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such companies or their industries. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

If a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, it may be forced to take other actions to satisfy its obligations under its indebtedness. These alternative measures may include reducing or delaying capital expenditures, selling assets, seeking additional capital, or restructuring or refinancing indebtedness. Any of these actions could significantly reduce the value of a Third Point Fund's investment in such portfolio company. If such strategies are not successful and do not permit a portfolio company to meet its scheduled debt service obligations, such portfolio companies may be forced into liquidation, dissolution or insolvency, and the value of such Third Point Fund's investment in such portfolio company could be significantly reduced or even eliminated.

Moreover, companies in which the Third Point Funds invest may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

*Limited Amortization Requirements*. The Third Point Funds may invest in loans (including CLO securities) that have limited mandatory amortization requirements. While such a loan may obligate a portfolio company to repay the loan out of asset sale proceeds or with annual excess cash flow, such requirements may be subject to substantial limitations and/or "baskets" that would allow a portfolio company to retain such proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that a portfolio company will not be able to repay or refinance the loans held by a Third Point Fund when they come due at their final stated maturity.

*Special Purpose Acquisition Companies*. Special purpose acquisition companies, commonly referred to as "SPACs", are publicly traded companies formed for the purpose of raising capital through initial public offerings to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired, and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the U.S. Securities Act of 1933, as amended (the "Securities Act"), so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, interests in most SPACs are relatively illiquid and have a concentrated shareholder base that tends to be comprised of institutional investors, including hedge funds (at least at inception). The Third Point Funds may, and often do, invest in SPACs that, at the time of investment, have not selected or approached any prospective target businesses with respect to a business combination. In addition, the Third Point Funds may invest capital in vehicles acting as the sponsors of SPACs in exchange for interest in the SPAC that will only have value to the extent that a transaction is consummated by the SPAC and the Third Point Funds continue to hold interests in the SPAC thereafter. There may be limited basis for the Third Point Funds to evaluate the possible merits or risks of such SPAC's investment in any particular target business or the track record of its management team. To the extent that a SPAC completes a business acquisition, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

*Initial Public Offerings*. Investments in initial public offerings (or companies who expect to file for an initial public offering) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including 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 and, thus, for the value of the Interests.

*Risks of Venture Capital Investments*. The Third Point Funds' investment portfolios will include securities issued by companies in what the Investment Manager determines to be in their "expansion stage" through "late stage/pre-IPO," whose securities are not publicly traded, as well as potentially early stage private companies. These investments are sometimes referred to as venture capital investments. Such companies typically have short operating histories, a relatively short history of recurring revenues, are not profitable and seek to expand their operations meaningfully. Although such investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risk that can result in substantial losses. There are significant risks associated with investments in such companies, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.

Though certain of the Third Point Funds' investments will be made in companies that have their first product available and a relatively small amount of recurring revenues from referenceable customers, such companies are likely to be unseasoned, unprofitable or may have no established operating history or sustainable earnings and are likely to lack technical, marketing, financial and other resources. An investment may be made in the hope that such company will be able to significantly expand and achieve significant market penetration and profitability. These companies are likely to be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies and their attempt to expand and achieve profitability. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

Following its initial investment in a company, such company may require additional funding, and a Third Point Fund may have the opportunity to increase its investment in such company. However, there can be no assurance that such Third Point Fund will determine to make or be able to make such follow-on investments. Any decision by such Third Point Fund not to make follow-on investments, or its inability to make them, may have a substantial adverse effect on a company in need of such an investment and such Third Point Fund's investment therein, may result in a missed opportunity for such Third Point Fund to increase its participation in a successful enterprise, may result in significant dilution of any existing investment, or may cause a decrease in the value of such Third Point Fund's portfolio.

In addition, although many of the Third Point Funds' venture capital investments will be in companies that the Investment Manager classifies as in the "expansion stage" or "late stage/pre-IPO," such a determination is subjective and imprecise.

*Late Stage/Pre-IPO Venture Investments*. The Third Point Funds expect to invest in what the Investment Manager believes to be late stage/pre-IPO private companies. The technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

*Dependence on Patents, Trademarks and Other Intellectual Property*. Certain companies may depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties lead to the termination of the research and development of a company's particular product, which could materially and adversely affect such company.

*Portfolio Company Reliance on Technology*. The Third Point Funds may invest in companies whose performance is highly correlated with their ability to successfully implement new technology and/or exploit existing technologies (such as in FinTech companies). Technology-reliant sectors are challenged by various factors, including rapidly changing market conditions and participants, new competing products and services, and improvements in existing products and services. There is no assurance that products or services sold by companies in which the Third Point Funds invest will not be rendered obsolete or adversely affected by competing products and services or other challenges.

In the event that technology-reliant sectors decline or that companies in which the Third Point Funds invest are unable to utilize technology successfully and competitively, returns to Limited Partners may decrease.

*Risks Inherent in FinTech Investing*. The Third Point Funds may make investments in FinTech companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products and services and/or improvements in existing products. Additionally, many FinTech activities in Organisation for Economic Cooperation and Development jurisdictions are regulated with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as nonbank lending and debt collection) and supervision (in particular banking and insurance). While the Dodd-Frank Act (as defined below) clarified certain pre-emption issues, there often is a tension between state regulatory regimes and federal regulation. The Third Point Funds' investments in this industry will compete in this volatile environment. There is no assurance that products or services sold by these companies will not be rendered obsolete or adversely affected by competing products and services or that these companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech-oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

*Private Technology Company Investments.* The Third Point Funds may invest in private technology companies including, without limitation, enterprise software companies, cybersecurity companies, and companies in related infrastructure sectors. Such investments involve a high degree of business and financial risk and can result in substantial or total loss. Private technology companies may operate at a loss or with substantial variations in

operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Private technology companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Accordingly, the growth of these private technology companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Investments in such private technology companies can experience failure or substantial declines in value at any stage.

*Regulated Industries*. Certain industries are heavily regulated (such as in financial services, healthcare or healthcare-related industries). To the extent that the Third Point Funds make investments in companies that are involved in industries that are subject to greater amounts of regulation than other industries generally, such investments would pose additional risks relative to investments in other companies and issuers. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures for such companies. If a company in which the Third Point Funds invest fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. Companies in which the Third Point Funds invest also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on them. Governments have considerable discretion in implementing regulations that could impact a company's business, and governments could be influenced by political considerations and could make decisions that adversely affect a company's business. Additionally, certain companies could have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject their activities and labor relations matters to complex laws and regulations relating thereto. Moreover, their operations and profitability could suffer if they experience labor relations problems. Upon the expiration of their collective bargaining agreements, they could be unable to negotiate new collective bargaining agreements on terms favorable to them, and their business operations at one or more of their facilities could be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating their collective bargaining agreements. Work stoppages could have a material adverse effect on the business, results of operations and financial condition of any such companies. Any such problems could impact the credit quality of any such company or otherwise adversely impact an investment in such company and additionally could bring scrutiny and attention to a Third Point Fund itself, which could adversely affect such Third Point Fund's ability to implement its investment objectives.

There can be no assurance that a company targeted by the Third Point Funds will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent such company from operating in accordance with the Third Point Funds' expectations, could limit its ability to

engage in certain regulated activities or could otherwise result in additional costs which have an adverse impact on any investment by a Third Point Fund in such company.

**Risks of Special Techniques**

Each of the special investment techniques that the Third Point Funds may use is subject to certain risks that are summarized below.

*Leverage*. The Fund and the Third Point Funds are authorized to incur leverage, which could be at times significant. Although the use of borrowed money to purchase securities will permit the Fund and/or the Third Point Funds to make investments in an amount in excess of their respective capital, it will also increase the Fund's and/or Third Point Funds' exposure to losses, as applicable. While there is no limit on the Fund's and the Third Point Funds' use of leverage, the Fund and Third Point Funds will seek to use levels of leverage on a risk-adjusted basis deemed prudent by the Investment Manager. The use of leverage also exposes the Fund and the Third Point Funds to increased operational and market risks. Among other risks, the use of leverage tends to exacerbate and/or accentuate negative market movements, small hedging errors may be amplified by leverage, price and valuation disputes with counterparties must be resolved to assure collateral maintenance and hedges may at times fail to track investments due to uncorrelated changes in spreads among various instruments. Also, the management fee of one or more of the Third Point Funds increases to the extent the leverage on such Third Point Funds exceeds the leverage on another Third Point Fund; therefore, there is an additional incentive for the Investment Manager to utilize leverage for such Third Point Funds.

In certain circumstances described elsewhere in this Memorandum, the General Partner, by written notice to the Limited Partners, may suspend the payment of withdrawal proceeds. In these circumstances, because the withdrawal request itself is not suspended, any amounts actually withdrawn will be owed by the Fund to the withdrawing Limited Partner. Accordingly, if the value of the Fund's assets decreases following the implementation of such a suspension, the withdrawal proceeds payable to such Limited Partners will result in additional leverage for the Fund. See "*Summary of Principal Terms – Suspension of Withdrawals and Valuations*."

*Margin Borrowings.* The Third Point Funds could be subject to a "margin call" pursuant to which they must either deposit additional funds or liquidate assets for subsequent deposit with a prime broker, or the Third Point Funds could suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a drop in the value of the Third Point Funds' assets, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin debt. In such a case, the prime broker may liquidate additional assets of the Third Point Funds to satisfy such margin debt.

*Repurchase Agreements*. Under a repurchase agreement, the Third Point Funds "sell" securities or other obligations and agree to repurchase them at a specified date and price. In a reverse repurchase transaction, the Third Point Funds "buy" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Third Point Funds, plus interest at a negotiated rate.

The use of repurchase and reverse repurchase agreements by the Third Point Funds involves a variety of risks. For example, repurchase agreements may involve the risk that the market value of the securities or other obligations purchased with the proceeds of the repurchase agreement by the Third Point Funds may decline below the price of the securities or other obligations the Third Point Funds have sold but are obligated to repurchase. If the buyer of securities or other obligations under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of the Third Point Funds to repurchase the securities or other obligations and the Third Point Funds' use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities or other obligations that the Third Point Funds have purchased has decreased, the Third Point Funds could experience a loss.

Further, in relation to reverse repurchase agreements, if the seller of securities to the Third Point Funds defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Third Point Funds will seek to dispose of such securities, which action could involve costs or delays and the Third Point Funds may suffer a loss to the extent that it is forced to liquidate their positions in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Third Point Funds' ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Third Point Funds may not be able to substantiate their interests in the underlying securities.

*Necessity for Counterparty Trading Relationships; Counterparty Risk*. The Third Point Funds have relationships with counterparties used to obtain financing, derivative intermediation and prime brokerage services; however, there can be no assurance that the Third Point Funds will be able to maintain such relationships or establish new ones. An inability to establish or maintain such relationships would limit the Third Point Funds' trading activities and could create losses, preclude the Third Point Funds from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Third Point Funds from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before the Third Point Funds establish additional relationships could have a significant impact on the Third Point Funds' business due to the Third Point Funds' reliance on such counterparties.

Some of the markets in which the Third Point Funds may effect their transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Third Point Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Third Point Funds to suffer a loss. In addition, in the case of a default, the Third Point Funds could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where

events may intervene to prevent settlement, or where the Third Point Funds have concentrated their transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of the Third Point Funds' counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Third Point Funds' counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the Securities Investor Protection Act of 1970, as amended or the U.S. Bankruptcy Code), there exists the risk that the recovery of the Third Point Funds' securities and other assets from the Third Point Funds' prime brokers or broker-dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. The insolvency of such prime broker or broker-dealer could seriously damage the operations of the Third Point Funds, and the Third Point Funds could lose a substantial portion or all of their assets held with such prime broker or broker-dealer. Securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Third Point Funds, and hence the Third Point Funds may be exposed to a credit risk with regard to such parties. Assets which are deposited with the Third Point Funds' brokers as margin will be available to the creditors of the brokers in the event of the bankruptcy or insolvency of the broker. For example, while brokers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients. The broker may be able to transfer client assets out of such client accounts in the ordinary course of business, or rehypothecate the assets. If the *pro rata* share that the Third Point Funds receive is less than 100% of what the broker owes them (the Third Point Funds are entitled as a matter of law to the cash and marked-to-market value of the securities in their prime brokerage accounts, minus any indebtedness to the relevant broker), the Third Point Funds could recover cash or securities with a marked-to-market value of up to a specified statutory limit from a fund established under U.S. law to reimburse customers of insolvent brokers. If the Third Point Funds do not recover all cash and securities, including securities that have been rehypothecated, from their account with a broker after receiving their *pro rata* share of customer property recovered from the insolvent broker's estate, if any, and maximum payment from the customer reimbursement fund established under U.S. law to reimburse customers of insolvent broker-dealers, they will be unsecured creditors of the insolvent broker with respect to such shortfall and, therefore, may not be able to recover equivalent assets in full, or at all. In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), the Third Point Funds may be unable to trade the assets that were held by the insolvent broker during this transfer period. In certain circumstances, the assets of the Third Point Funds held at a broker could be at risk if other clients of the broker fail to meet margin requirements and the assets of the broker are insufficient to cover any shortfall. Further, there may be practical or timing problems associated with enforcing the Third Point Funds' rights to their assets in the case of an insolvency of any such party.

In addition, the Third Point Funds may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to the laws and regulations in foreign jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Third Point Funds' assets are subject to substantial limitations and uncertainties. Because of the large number of entities

and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Third Point Funds and their assets.

The Third Point Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Investment Manager's evaluation of the creditworthiness of the Third Point Funds' counterparties may prove inaccurate. The ability of the Third Point Funds to transact business with any one or more counterparties, the lack of complete and "foolproof" evaluation of the financial capabilities of the Third Point Funds' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Third Point Funds.

*Derivative Instruments in General.* The Investment Manager may use various derivative instruments, including options, futures, forward contracts, swaps and other derivatives, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value. Derivatives, especially OTC (as defined below) derivatives engaged as a privately negotiated contract against a principal counterparty, may be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments. Derivatives used for hedging purposes may not correlate strongly with the underlying investment sought to be hedged. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Third Point Funds may not be able to close out a position without incurring a loss. Trading in derivative instruments may permit the Third Point Funds to incur additional leverage, which may magnify the gains and losses experienced by the Third Point Funds and could cause the Third Point Funds' net asset value to be subject to wider fluctuations than would otherwise be the case. While derivatives used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When the Third Point Funds use derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. The Third Point Funds are therefore directly exposed to the risks of that derivative. Derivatives may not be available to the Third Point Funds upon acceptable terms. As a result, the Third Point Funds may be unable to use derivatives for hedging or other purposes. As noted above under "*Necessity for Counterparty Trading Relationships; Counterparty Risk*," counterparty relationships related to derivatives transactions subject the Third Point Funds to additional risks.

*Futures.* Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account, and a relatively small price movement in a futures contract may result in substantial gains or losses to the trader. Futures positions are marked to the market each day and variation margin payments must be paid to or by the Third Point Funds. Futures trading may also be illiquid, and certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. Should prices fluctuate during a single day's trading beyond those limits, which conditions might last for several days with respect to certain contracts, the Third Point Funds could be prevented from

promptly liquidating unfavorable positions and thus be subjected to substantial losses. The CFTC and various exchanges impose position limits on the number of positions that the Third Point Funds may hold or control in particular contracts.

*Options*. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price. Options also involve counterparty risk. However, the Third Point Funds generally intend for a majority of their trading in option contracts to be standardized options which trade on recognized exchanges. The Investment Manager believes that these options provide greater liquidity and involve less counterparty risk than customized options for which a clearinghouse does not exist.

*Trading in Forward Contracts*. The Third Point Funds may engage in the trading of forward contracts. In contrast to futures contracts traded on an exchange, forward contracts are not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. Banks and other dealers with whom the Third Point Funds may transact in such forwards may require the Third Point Funds to deposit margin with respect to such trading, although margin requirements may at times be minimal. The Third Point Funds' counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. In addition, disruptions can occur in any market traded by the Third Point Funds due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in substantial losses to the Third Point Funds.

*Hedging Transactions*. The Fund and the Third Point Funds are under no obligation to hedge any risk arising out of their investment programs and may elect to not hedge any such risk, or to hedge only specific risks. Such hedging activities may be aimed at preventing changes in the market value of the Third Point Funds' portfolios resulting from fluctuations in the securities markets and changes in interest rates, protecting the Third Point Funds' unrealized gains in the value of the portfolios, enhancing or preserving returns, spreads or gains on any investment in the Third Point Funds' portfolios, protecting the Fund and the Third Point Funds against fluctuations in the interest rate or currency exchange rate, protecting the Third Point Funds against any increase in the price of any securities the Third Point Funds anticipate purchasing at a later date, or may be done for any other reason that the Investment Manager deems appropriate. The success of the Fund's and the Third Point Funds' hedging strategy will be subject to the correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the

characteristics of many securities change as markets change or time passes, the success of the Third Point Funds' hedging strategy will also be subject to the Investment Manager's ability to recalculate, readjust and execute hedges in an efficient and timely manner. There is no guarantee that the Investment Manager will be able to do that successfully. While the Fund and the Third Point Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Third Point Funds than if they had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a strong correlation between such hedging instruments and the portfolio holdings being hedged. Such weak correlation may prevent the Fund and the Third Point Funds from achieving the intended hedge or expose the Fund and the Third Point Funds to risk of loss.

*Swap Agreements*. Swap agreements are privately negotiated OTC derivative products in which two parties agree to exchange actual or contingent payment streams that may be calculated in relation to a rate, index, instrument or certain securities, and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease the Third Point Funds' exposure to commodity prices, equity or debt securities, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage-backed securities, corporate borrowing rates or other factors such as security prices, baskets of securities or inflation rates and may increase or decrease the overall volatility of the Third Point Funds' portfolios. Swap agreements can take many different forms and are known by a variety of names. The Third Point Funds are not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Third Point Funds' investment objectives and policies. A significant factor in the performance of swaps is the change in individual commodity values, specific interest rates, currency values or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by the Third Point Funds, the Third Point Funds must have sufficient cash availability to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement may also decline, potentially resulting in losses to the Third Point Funds.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") includes provisions that comprehensively regulate over-the-counter ("OTC") derivatives markets for the first time, including the swap markets.

The Dodd-Frank Act and regulations implementing the Dodd-Frank Act mandate that certain OTC derivatives must be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearing member and clearinghouse, as well as possible SEC or CFTC mandated margin requirements. The CFTC and other federal and global financial regulators have adopted margin requirements for uncleared derivatives which may present significant challenges and additional risks for the Third Point Funds, including increased collateral posting obligations and associated costs, reduced access to dealer counterparties,

potential decreases in market liquidity and other unforeseen consequences. These requirements also may result in a Third Point Fund being unable to adequately hedge its investments, which may have an adverse impact on the performance of the Third Point Fund. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for certain "end-users," the Third Point Funds do not expect to be able to rely on such exemptions. In addition, the OTC derivatives dealers with which the Third Point Funds execute the majority of their OTC derivatives will be subject to clearing and margin requirements irrespective of whether the Third Point Funds are subject to such requirements. OTC derivatives dealers also will be required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as is currently permitted. This will increase the OTC derivatives dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront margin, less favorable trade pricing and the possible imposition of new or increased fees. While many of the Dodd-Frank Act reforms have already been implemented, certain reforms are still pending and there is uncertainty as to whether and how such legislation and reforms will be implemented and applied in the future.

The SEC and CFTC may also require certain derivatives transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Third Point Funds, to enter into tailored or customized transactions. They may also render certain strategies in which the Third Point Funds might otherwise engage impossible, or so costly that they will no longer be economically viable to implement.

OTC derivatives dealers and major OTC derivatives market participants will be required to register with the SEC and/or CFTC. Although neither the Third Point Funds nor the Investment Manager is required to register as a dealer or major participant in the OTC derivatives markets, it is possible that going forward, the Third Point Funds and/or the Investment Manager may be required to be registered as a dealer or major participant. Registered OTC derivatives dealers and major participants are subject to a number of regulatory requirements, including minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are OTC derivatives, exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest and other regulatory burdens. These requirements may further increase the overall costs for OTC derivatives dealers, which costs are also likely to be passed along to market participants. The overall impact of the Dodd-Frank Act on the Third Point Funds is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Although the Dodd-Frank Act will require many OTC derivatives transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the Third Point Funds may remain OTC or principal-to-principal contracts entered into privately by the Third Point Funds and third parties. The risk of counterparty nonperformance can be significant in the case

of these OTC instruments, and "bid-ask" spreads may be unusually wide in these heretofore substantially unregulated markets. While the Dodd-Frank Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Dodd-Frank Act is fully implemented, a process that may take several years or more.

The European Market Infrastructure Regulation similarly seeks to comprehensively regulate the OTC derivatives market in Europe for the first time including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties. Taken together, these regulatory developments will increase the OTC derivatives dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing and possible new or increased fees.

*Short Sales*. The Third Point Funds may engage in short selling of any of the instruments they trade. In selling short, the Third Point Funds bear the risk of an increase in the value of the instrument sold short above the price at which it was sold. Such an increase could lead to a substantial (theoretically unlimited) loss, as the market price of instruments sold short may increase indefinitely. Under certain market conditions, the Third Point Funds might have difficulty purchasing instruments to meet their short sale delivery obligations (such as to complete a dealer buy-in of the underlying instrument). The Third Point Funds might also have to sell instruments to raise the capital necessary to meet their short sale margin call obligations at a time when fundamental investment considerations would not favor closing out such short position. The Investment Manager's use of "directional" short-selling has subjected the Third Point Funds, and may continue to subject the Third Point Funds, to risk of litigation. Lawsuits can be brought against short sellers of a company's stock to discourage short selling. Among other claims, these suits may allege libel, conspiracy and market manipulation and may expose the Third Point Funds to significant liabilities.

Short-selling activities are subject to restrictions imposed by U.S. and non-U.S. securities laws and the various securities exchanges. Limitations on short-selling have been imposed on an emergency basis in the past during market disruptions. Short-selling may be subject to further regulatory restrictions in the future, including reporting requirements on short-selling, which may prevent the Third Point Funds from successfully implementing their investment strategies involving short-selling.

*Credit Default Swaps*. The Third Point Funds may purchase or sell credit derivatives contracts—primarily CDS—both for hedging and other purposes. The typical CDS contract requires the seller to pay to the buyer, in the event that a particular entity (each, a "Reference Entity") experiences specified credit events, the difference between the notional amount of the contract and the value of a security or portfolio of securities issued by the Reference Entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. CDS generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

Factors that may influence the value of CDS include the contractually specified credit-related events with respect to a Reference Entity that may trigger settlement of the CDS; optionality that a party has under the terms of the CDS, such as the ability to select the obligations of a Reference Entity that will be delivered or valued or to decide whether or not to trigger settlement; market liquidity for a particular type of CDS; interest rates and the amount of any periodic fixed payments required to be made under the CDS; and the time remaining to the maturity of the CDS.

Decisions made by industry-appointed Credit Derivatives Determinations Committees ("Determinations Committees") may affect the Third Point Funds' rights and obligations under a CDS. If so provided under the terms of a CDS, a Determinations Committee will have the power to make binding decisions on critical issues, such as whether a "credit event" with respect to the Reference Entity has occurred, which obligations of the Reference Entity are deliverable and whether an auction to determine the settlement price for related CDS should take place. The institutions serving on the Determinations Committees or any external reviewers do not owe any duty to the Third Point Funds in such capacity and the Third Point Funds may be prevented from pursuing claims with respect to actions taken by such persons.

There can be no assurance that the Third Point Funds will achieve their hedging, investment or other objectives. Credit events that trigger CDS are expressly defined under the terms of a CDS transaction and may not encompass all of the circumstances in which the Third Point Funds may suffer credit-related losses on an obligation of a Reference Entity. Similarly, some entities that experience credit difficulties do not file for bankruptcy or default on payments on all of their obligations. Instead, they may enter into work-out or restructuring arrangements with their creditors. Unless a CDS expressly provides for a "restructuring" credit event—and the actual event falls within the agreed definition of that credit event—the protection buyer under a CDS may not receive any compensation if such a workout or other restructuring occurs.

CDS transactions can be more operationally intensive than other transactions. CDS transactions may require that certain notices be given in order to exercise rights, realize value or protect and preserve interests under the transaction. Failure to act within the requisite time periods could adversely affect the Third Point Funds' interests under a CDS agreement.

The ultimate outcome of a CDS transaction (following the occurrence of a credit event and satisfaction of all conditions to settlement, if applicable) will be affected by the settlement method applicable to the transaction.

If so provided, a CDS transaction may be cash settled by reference to the price of certain deliverable obligations of the Reference Entity determined in an auction conducted pursuant to terms published by the Determinations Committee. Although auctions generally can be expected to be held for CDS of Reference Entities that are widely traded in the credit markets, there can be no assurance that an auction will be held for future credit events or that, if held, the auction will result in the determination of a final price. If an auction is not held or fails to result in the determination of a final price, generally either physical settlement or cash settlement will apply.

If "physical settlement" applies to a CDS transaction, the protection buyer must select (if the terms of the CDS transaction provide the protection buyer a choice) an obligation or obligations of the Reference Entity that satisfies specified deliverability criteria and deliver those obligations to the protection seller in the amount specified in the CDS transaction. In such cases, it is likely that the portfolio of obligations selected by the protection buyer will be obligations of the Reference Entity with the lowest market value that are eligible for selection pursuant to the terms of the CDS transaction. Alternatively, physical settlement may not be possible to accomplish under some circumstances, such as inability to procure a deliverable obligation due to market dislocations or prior redemptions or refinancing by the Reference Entity. In such event, the protection buyer may receive no recovery if it is unable to make a required delivery.

If "cash settlement" applies, one of the parties may be required to seek quotations for selected obligations of the Reference Entity. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the Reference Entity (for example, liquidity constraints affecting market dealers). Moreover, the market value of a Reference Entity's obligations may be highly volatile in the period following a credit event. Accordingly, any quotations so obtained may differ significantly from the value of the relevant obligation that would be determined by reference to the present value of related cash flows, or the value that a party to a CDS transaction could obtain if it controlled the disposition of the obligations.

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of related CDS. No Reference Entity has any obligation to consider the Third Point Funds' interests (as a party to a CDS) as to any corporate or sovereign actions that might affect the value of the CDS. A Reference Entity may have an incentive to structure a corporate transaction to produce a particular result under CDS, in order to induce holders of its debt obligations to take certain actions. In some instances, a Reference Entity may repay its outstanding liabilities or assign them to a different entity, in which case a CDS with respect to that Reference Entity may no longer have deliverable obligations that could be considered for purposes of settlement of the CDS (a circumstance commonly referred to as an "orphan" credit transaction), which may result in losses for the protection buyer.

A protection seller under a CDS generally will not have rights equivalent to those of a holder of debt obligations of the relevant Reference Entity, such as voting rights or rights to receive consent fees or other distributions from the Reference Entity. Consequently, entering into a CDS transaction as protection seller may be riskier than a direct investment in the obligations of a Reference Entity.

*Enhanced Regulation of Short Sales and Credit Default Swaps*. Since November 2012, short sales and CDS are subject to the provisions of the EU Regulation on Short Selling and certain aspects of CDS (the "Short Selling Regulation"), which was published in the Official Journal of the European Union on March 24, 2012. The Short Selling Regulation introduces restrictions and disclosure requirements for persons taking short positions in EU shares and sovereign bonds, and prohibits entering into uncovered CDS in relation to EU sovereign debt (*i.e.*, where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the

sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU Member States to prohibit or restrict short sales, limit sovereign CDS and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual securities which have suffered a significant fall in price in a single day.

The provisions of the SEC rules and the Short Selling Regulation may hinder the Third Point Funds' investment programs by preventing them from taking positions that the Investment Manager considers favorable. They may also result in overvaluations of certain securities due to restrictions on market efficiency. In addition, the SEC's "Circuit Breaker Uptick Rule" and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual securities, may adversely affect the Third Point Funds by preventing them from taking hedging positions or other positions that the Investment Manager considers to be in the Third Point Funds' best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to the Third Point Funds.

*Investments in Certain Metals and Commodities*. The Third Point Funds may invest directly or indirectly, long or short, in metals, commodities and similar materials. Since ownership of such investments does not generate any income, the sole source of return would be from gains realized on sales of the investments, and a negative return would be realized to the extent such investments are sold at a loss. Certain metals, commodities and similar materials may incur storage or insurance costs that are higher than the custody fees paid on traditional financial assets. Prices of such metals, commodities and materials are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. Certain metals, commodities and similar materials are also subject to governmental action for political reasons. Markets for physical commodities are at times volatile, and there may be sharp fluctuations in prices even during periods of rising prices. There is also a risk that such metals, commodities or similar investments could be lost, suffer damage or deterioration if not adequately stored, or stolen, or that access to such investments could be restricted by natural events (*e.g.*, force majeure) or tortious human actions. Such risks are increased to the extent the Third Point Funds take possession of a physical commodity. The storage costs for physical commodities are higher than the custody fees paid on financial assets, although the Third Point Funds will contract with internationally recognized custodians to hold any of their owned physical commodities. However, these custodians, consistent with market practice, may not have insurance adequate to cover any such loss. Finally, it is complicated to leverage positions in physical commodities, and to the extent the Third Point Funds need to raise cash on an expedited basis, such commodities may not be available to borrow against on commercial terms.

*Exchange Traded Funds (ETFs)*. The Third Point Funds may invest in shares of ETFs, including for hedging purposes. ETFs may be passively or actively managed. Passively managed ETFs generally seek to track the performance of a particular market index, including broad-based market indexes, as well as indexes relating to particular sectors, markets, regions or industries. Actively managed ETFs do not seek to track the performance of a particular market index and instead actively make investment decisions regarding the securities to be included in an investment portfolio. As an investor in ETFs, the Third Point Funds will bear their ratable

share of various fees, allocations and expenses of the ETF, all of which are embedded in the net asset value of the ETF. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which, in the case of passively managed ETFs, are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although passively managed ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of their expenses and other factors.

*Interest Rates.* The Fund and the Third Point Funds may be adversely affected by changes in interest rates. Interest rates are determined by factors of supply and demand in the international money markets and can be influenced by macro-economic factors, speculation and other forms of government intervention. The Fund and the Third Point Funds may experience increased interest rate risk to the extent they invest, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

*Currency.* The Fund's and the Third Point Funds' accounts will be denominated in U.S. dollars. Limited Partners bear all risks of exchange rate fluctuations in respect of any purchase of Interests using currencies other than U.S. dollars. Also, certain of the investments of the Fund and the Third Point Funds may be in currencies other than U.S. dollars. The Fund and the Third Point Funds intend to typically hedge against currency exchange rate fluctuations, but may not do so in the discretion of the Investment Manager. Unless the Fund and the Third Point Funds hedge against fluctuations in exchange rates between the U.S. dollar and the currencies in which Fund or Third Point Fund investments are denominated in foreign markets, any profits which the Fund or the Third Point Funds might realize in such trading could be eliminated as a result of adverse changes in exchange rates, and the Fund or Third Point Funds could even incur losses as a result of any such changes. Even if the Fund or the Third Point Funds hedge against such fluctuations, there is no guarantee such hedges will eliminate or reduce such losses. In addition to hedging transactions, the Third Point Funds may take speculative positions in currency. Such positions may be leveraged and be subject to significant volatility based on a wide variety of factors which could subject the Third Point Funds to significant loss.

*Cryptocurrency Risks*. The Third Point Funds may invest in virtual or "crypto" currencies, coins, tokens, crypto-assets and other similar distributed ledger-based digital assets having a digital representation of value and related digital asset transactions ("Cryptocurrency"). The Third Point Funds' Cryptocurrency transactions may include, but are not limited to, direct investment on a spot basis, indirect investment involving derivatives contracts referencing Cryptocurrencies (including but not limited to Cryptocurrency futures), and income generated through, activities such as staking and lending. Examples of well-known Cryptocurrencies include Bitcoin, Bitcoin Cash, Ethereum and Litecoin. The Third Point Funds may also participate in decentralized finance transactions, or DeFi, through a variety of distributed ledger-

based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology. In addition, the Third Point Funds may invest in decentralized autonomous organization-related instruments. The Third Point Funds may invest in Cryptocurrencies through index funds and other pooled investment funds.

Cryptocurrencies generally (1) are not issued by a central bank or a public authority and are not governed by a centralized issuer or administrator (*i.e.*, are decentralized), (2) rely on cryptographic protocols and distributed ledger network technology and can be transferred, stored or traded electronically, (3) with certain exceptions, are not attached to but may be converted into one or more fiat currencies (and *vice versa*), and (4) in some cases may be accepted as a means of payment.

Cryptocurrencies are a relatively new and highly speculative asset. Cryptocurrencies and futures contracts based on Cryptocurrencies (as well as related options on Cryptocurrencies futures) are extremely volatile, and investment results may vary substantially over time. These instruments involve substantially more risk and potential for loss relative to more conventional financial instruments, such as stocks, bonds, and derivatives referencing more conventional asset classes. Investments of this type should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments. These risks should generally be considered relevant to both spot and derivative Cryptocurrency transactions, as applicable, unless otherwise specified.

*The Unique Features of Cryptocurrencies*. Due to the relatively limited history of Cryptocurrencies and the rapidly evolving nature of the Cryptocurrency market, it is not possible to know all the risks involved in making an investment in Cryptocurrency, and new risks may emerge at any time. Cryptocurrencies have gained some commercial acceptance only within the past decade and, as a result, there is little data on their long-term investment potential or adoption in the marketplace. Additionally, due to the rapidly evolving nature of the Cryptocurrency market, including the development of new Cryptocurrencies and advancements in the underlying technology, it is not possible to predict which Cryptocurrencies the Third Point Funds may own in the future or even to fully describe those potential Cryptocurrencies. New Cryptocurrencies or changes to existing Cryptocurrencies may expose the Third Point Funds to additional risks which are impossible to predict. The growth of a Cryptocurrency in which the Third Point Funds do not invest may adversely impact the demand for, and price of, one or more Cryptocurrencies in which the Third Point Funds invest, thereby adversely affecting the value of the Third Point Funds' Cryptocurrency investments.

Cryptocurrencies are not recognized as legal tender, nor backed by the full faith and credit of, or endorsed by, any U.S. governmental authority. Likewise, with limited exceptions, Cryptocurrencies are not recognized as legal tender, nor backed by the full faith and credit of, or endorsed by, any non-U.S. governmental authorities. The value of Cryptocurrency in respect of any specific transaction is based on the agreement of the parties thereto, and the value of such Cryptocurrency more broadly is based on the agreement of market participants. Currently, a significant portion of Cryptocurrency demand is generated by speculators seeking to profit from short- or long-term price fluctuations. Cryptocurrencies may have no intrinsic value; in most cases, the price of Cryptocurrencies is dependent on the value that market participants

place on them, meaning that any increase or loss of confidence in Cryptocurrencies may affect their value.

Because Cryptocurrencies are a newly developing asset, there is a comparatively smaller number of participants in the Cryptocurrency investment space relative to other investment areas such as securities or conventional commodities. For instance, there may be a limited number of dealers or financial institutions willing to enter into spot Cryptocurrency transactions with a Third Point Fund. Consequently, the Investment Manager at times may be unable to identify suitable investments for the Third Point Funds, and the Third Point Funds may be unable to purchase suitable investments particularly in periods of market volatility or disruption or for any number of other reasons. To the extent the Third Point Funds experience difficulty in buying or selling Cryptocurrency, the Third Point Funds may not always be fully invested and may be unable to achieve its investment objective. In addition, the Third Point Funds could also suffer liquidity issues, impairing the ability to process redemptions. The global market for Cryptocurrency is characterized by supply constraints that differ from those present in markets for tangible assets, including commodities such as gold and silver. The mathematical protocols under which certain Cryptocurrencies are mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. If the amount of a Cryptocurrency acquired or sold by the Third Point Funds or another investor is large enough relative to global supply and demand, those persons could have an impact on the supply of and demand for the relevant Cryptocurrency and therefore its price. This situation could be exacerbated in economic or market crisis scenarios that motivate large-scale purchases of Cryptocurrencies, which could rapidly increase Cryptocurrency prices but cause substantial decreases once crisis-driven purchasing behavior wanes. Such an impact could affect the trading prices for the relevant Cryptocurrency, which would directly and potentially adversely affect the value of the Third Point Funds.

A number of Cryptocurrency investors and Cryptocurrency-related service providers have experienced difficulty in identifying banks or financial institutions that are willing to provide them with bank accounts and related services. Banks and financial institutions may also discontinue services to such businesses. The Third Point Funds could be materially and adversely affected if one or more of the Third Point Funds' spot Cryptocurrency counterparties or custodians ceased to provide services to the Third Point Funds for this reason.

The value of Cryptocurrencies depends partially on the growth and acceptance of distributed ledger technology by investors, market participants and regulatory authorities more broadly. This growth and acceptance of distributed ledger technology are subject to a high degree of uncertainty and are affected by numerous factors that are beyond the Third Point Funds' control, including without limitation: (i) worldwide growth in the adoption and use of distributed ledger assets and of distributed ledger technologies, as well as Cryptocurrency security instruments; (ii) government and quasi government regulation of distributed ledger assets and their use, or restrictions on or regulation of access to and operation of distributed ledger networks or similar systems; (iii) governments directly issuing legally recognized Cryptocurrencies, which could undercut the value of decentralized Cryptocurrencies that are not recognized as legal tender; (iv) the continued development and maintenance of open source software protocols underlying distributed ledger assets; (v) changes in consumer demographics

and public tastes and preferences; (vi) the availability and popularity of other forms or methods of storing value, buying and selling goods and services or trading assets, including new means of using fiat currencies or existing networks; (vii) general economic conditions and the regulatory environment relating to Cryptocurrencies; and (viii) a decline in the popularity or acceptance of well-known Cryptocurrencies.

*Price Volatility of Cryptocurrencies*. A principal risk in investing and trading Cryptocurrencies is significant price volatility. The value of a particular Cryptocurrency may depend, in part, on the prices of other distributed ledger assets more generally, including other Cryptocurrencies. Historically, the prices of distributed ledger assets generally have been subject to significant price volatility, which may adversely affect the value of Cryptocurrencies in particular and thus the Third Point Funds' investments. The price of Cryptocurrencies may be affected generally by a wide variety of complex and difficult to predict factors, including without limitation (i) worldwide growth in the adoption and use of distributed ledger assets and of distributed ledger technologies, as well as Cryptocurrency financial instruments; (ii) supply and demand, which may be influenced by real or perceived scarcity of Cryptocurrencies and the availability and popularity of other forms or methods of storing value, buying and selling goods and services or trading assets, including new means of using fiat currencies or existing payment networks, including governments directly issuing legally recognized Cryptocurrencies, which could undercut the value of decentralized Cryptocurrencies that are not recognized as legal tender; (iii) illiquidity of Cryptocurrency markets and the inability to convert Cryptocurrencies into fiat currencies and associated exchange rates; (iv) changes in the rights, obligations, incentives or rewards for the various participants in a distributed ledger network, including transaction fees for the recording or storage of transactions on the applicable distributed ledger networks; (v) availability and access to relevant service providers (such as payment processors), exchanges, miners or other Cryptocurrency users and market participants, whether due to technological interruptions in service from or failures of Cryptocurrency exchanges or legislative or regulatory actions; (vi) perceived or actual security vulnerabilities affecting distributed ledger networks or Cryptocurrencies; (vii) the maintenance, development or other changes in the software, software requirements or hardware requirements underlying a distributed ledger network; illegal actions by fraudulent or illegitimate actors in the Cryptocurrency space, including fraud, security breaches or malicious attacks affecting distributed ledger networks, and Cryptocurrency exchanges; (viii) investors' expectations with respect to the rate of inflation and the value of Cryptocurrencies, changes in consumer demographics and public tastes and preferences, and a decline in the popularity or acceptance of Cryptocurrencies; (ix) investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in Cryptocurrencies; (x) opinions expressed, and statements made, by influential market participants via news or social media; (xi) government and quasi government regulation of, and monetary policies related to, Cryptocurrencies and their use, or restrictions on or regulation of access to and operation of distributed ledger networks or similar systems; (xii) negative government action with respect to registration applications for investment vehicles with Cryptocurrency exposure, each of which could decrease institutional and retail investor interest in Cryptocurrencies.

In addition, a portion of Cryptocurrency investment activity is attributable to speculators seeking to profit from short- or long-term price fluctuations. Cryptocurrency pricing

may be the result of, and may continue to result in, speculation regarding future appreciation in the value of Cryptocurrencies, inflating and causing their prices to become more volatile and/or creating "bubble"-type risks. The foregoing increases the potential for Cryptocurrency price volatility.

Certain Cryptocurrencies, such as Tether and USD Coin, are pegged to a fiat currency on a 1:1 (or other similar) basis and, in theory, should hold a value consistent with the corresponding fiat currency. Because they generally are designed as substitutes for fiat currencies for use on Cryptocurrency exchanges and similar venues and, for this purpose, are intended to maintain a stable market value over time, these Cryptocurrencies are commonly known as "stablecoins" (or fiat-backed or deposit-backed tokens). Notwithstanding the foregoing, stablecoins are subject to the risk of significant price volatility like all other Cryptocurrencies. Stablecoins' risk of price volatility may arise for various reasons, including but not limited to (i) whether or not the issuer of a given stablecoin provides adequate evidence of its fiat-backing (*e.g.*, through a third-party audit), (ii) the market's perception of such evidence, and (iii) general market characteristics and investors' trading behavior in respect of the stablecoin. In particular, stablecoins could be subject to significant, adverse price events if it is subsequently discovered that a stablecoin has no or inadequate (or poorly-monitored) fiat-backing, or the market perceives this to be the case.

Historically, prices of various Cryptocurrencies have been highly correlated. In addition, activity in a particular Cryptocurrency on one Cryptocurrency exchange or trading venue may have an impact on the overall market of that Cryptocurrency. A crash in one Cryptocurrency or widespread defaults on one Cryptocurrency exchange or trading venue may cause a crash in the price of other Cryptocurrencies, or a series of defaults by counterparties on Cryptocurrency exchanges or trading venues. This is sometimes referred to as "systemic risk" and may adversely affect counterparties and other institutions with which the Third Point Funds interact. A systemic failure could have material adverse consequences on the Third Point Funds.

Price fluctuations in Cryptocurrencies in which the Third Point Funds have investments could result in material, adverse effects on the Third Point Funds.

*Valuation and Liquidity of Cryptocurrencies*. The Cryptocurrency marketplace may be illiquid or insufficiently liquid for short or long periods of time. Liquidity could be affected by numerous factors, including regulatory developments that restrict the use or transfer of Cryptocurrencies, changes in market or user interest in a Cryptocurrency, failure of or interruptions and disruptions to Cryptocurrency exchanges for any reason, and other market, political and other conditions. These factors are impossible to predict and are beyond the Investment Manager's control and could potentially be exacerbated by the particular characteristics of Cryptocurrencies as an asset class. Liquidity issues could also arise because there are a relatively limited number of dealers, spot exchanges and other financial intermediaries with respect to Cryptocurrencies compared to conventional asset classes. The Third Point Funds' options in this regard may be further limited in the Investment Manager's sole discretion to select financial intermediaries that the Investment Manager believes present comparatively less credit, fraud or other risks. The foregoing could act to limit the Third Point Funds' options in acquiring and disposing of its investments, particularly in times of stress in the Cryptocurrency market. Cryptocurrencies can be traded through privately negotiated peer-to-peer

transactions and through numerous Cryptocurrency exchanges and intermediaries around the world. The lack of centralized pricing sources poses a variety of valuation challenges, because it creates potential pricing discrepancies (which could be substantial), may allow for arbitrage and speculative investment opportunities that may further skew valuation over time and may impair the growth, development and mainstream investor acceptance of Cryptocurrencies overall. In addition, even well-established pricing sources (such as well- regarded spot exchanges) are subject to risks of theft, fraud and failure (as described below). If any such pricing source no longer became usable or trusted by the market, there could be a substantial negative effect on affected Cryptocurrencies. The various limitations on liquidity discussed above could exacerbate the effect of these factors. Negative developments in this area may materially and adversely affect the Third Point Funds' ability to achieve its investment objective.

The Investment Manager's valuations of Cryptocurrencies will affect the Third Point Funds' performance reporting, the net asset value at which investors subscribe to, or redeem from, the Third Point Funds, as well as the calculation of the Management Fee and the Incentive Fee, and as a result, will give rise to certain potential conflicts of interest in connection therewith. From time to time, the Third Point Funds may face difficulties in determining the value of its Cryptocurrency investments due to price volatility, illiquidity and the fragmentation of such markets. Although the Investment Manager and the Third Point Funds will endeavor to implement valuation policies and procedures which address these challenges, the Investment Manager and the Third Point Funds may not be able to account for all of the possible events and circumstances that may impact their ability to value the Third Point Funds' Cryptocurrency investments, particularly in light of the potential for governmental and regulatory intervention and the nascent state of the secondary markets. This may, in turn, affect the Investment Manager's ability to determine the net asset value of the Third Point Funds.

*Custody and Cybersecurity Considerations Applicable to Cryptocurrencies*. The Cryptocurrencies underlying the Third Point Funds' investments may be held by financial institutions, Cryptocurrency exchanges or other trading platforms, as well as Cryptocurrency custodians or other service providers that hold, manage, or otherwise deal in Cryptocurrencies in hardware or software wallets, which may be subject to cyberattacks and other security threats. Cyberattacks may result in security breaches and the theft, loss and destruction of Cryptocurrencies. The Third Point Funds rely on such parties' security systems and processes to ensure the safe storage of the Third Point Funds' Cryptocurrency investments. These safeguards may be breached due to the actions of outside parties, error or malfeasance of an employee of the Investment Manager, the applicable service provider, or otherwise, and, as a result, an unauthorized party may obtain access to the Third Point Funds' assets, the private keys (and therefore the Cryptocurrencies) or other data of the Third Point Funds. Additionally, outside parties may attempt to fraudulently induce the Investment Manager's employees or those of a service provider to disclose sensitive information in order to gain access to the Investment Manager's or the relevant service provider's infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until the occurrence of a predetermined event and often are not recognized until launched against a target, each or all of the Third Point Funds, the Investment Manager and relevant service provider may be unable to anticipate these techniques or implement adequate preventative measures. The safety of the relevant security measures could

be affected by a number of factors, including (but not limited to): (i) existing or new technological threats; (ii) undetected errors, software flaws or vulnerabilities; (iii) security breaches arising from cyber-attacks, computer malware, computer hacking or sabotage; and (iv) fraud, willful default or negligence or other failures on the part of the relevant service provider. These risks may be exacerbated to the extent the Third Point Funds, an exchange, custodian or other financial intermediary at which the Third Point Funds hold assets becomes well-known to the market or expands in size, in which case the Third Point Funds or such other financial intermediary, as applicable, may become a more appealing target for hackers or other malicious actors. To the extent that the Investment Manager or a service provider is unable to identify and mitigate or stop new security threats, a Third Point Funds' Cryptocurrencies may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of such Third Point Fund.

The Third Point Funds' Cryptocurrency investments could also be compromised by theft or the loss of a private key. The loss or destruction of a private key required to access Cryptocurrencies may be irreversible, potentially resulting in permanent losses. Cryptocurrencies are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the Cryptocurrencies are held. To the extent a private key is lost, destroyed or otherwise compromised, a Third Point Fund will be unable to access the Cryptocurrency held in the related digital wallet. This loss of access would be permanent if there is no backup of the private key or if the relevant distributed ledger network is unable to restore the private key. The risk of loss due to losses of private keys or similar methodologies of secure access is generally greater for Cryptocurrencies than that of other asset classes given their nature and the variations in the sophistication of access methodologies. A Third Point Fund's inability to access any portion of its Cryptocurrency assets could result in a material adverse effect on such Third Point Fund.

In addition, the financial institutions, Cryptocurrency exchanges, service providers or other third parties holding the Third Point Funds' Cryptocurrencies may become insolvent, causing the Third Point Funds to lose all or a portion of the Cryptocurrencies held by those parties. Unlike bank deposits or securities accounts respectively, Cryptocurrencies held by the Third Point Funds are not subject to U.S. Federal Deposit Insurance Corporation ("FDIC") or U.S. Securities Investor Protection Corporation ("SIPC") protections. The Third Point Funds are not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by the Third Point Funds are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. In the event of the permanent loss or theft of any of the Third Point Funds' Cryptocurrencies, the insolvency of any Cryptocurrency exchanges where the Third Point Funds' Cryptocurrencies are held or the insolvency of any depository or custodian for such Cryptocurrencies, the Third Point Funds may be unable to recover all of their funds or the value of their assets so deposited.

The distributed ledger networks underlying Cryptocurrencies are themselves subject to potential cyberattacks. There may be technological defects in the software protocols or cryptography of the distributed ledger networks underlying Cryptocurrencies, which make them potentially vulnerable to cyberattacks. There have been occasions where malicious actors have deployed successful cyberattacks to exploit these defects and steal or misdirect affected

Cryptocurrencies or otherwise tamper with the underlying distributed ledger network. These defects could also be deliberately or inadvertently introduced through software protocol changes created by the development team, administrators and/or other influential participants in respect of a distributed ledger network (*e.g.*, through manipulated code).

If a malicious actor or a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers (a "botnet") obtains control of more than 50% of the processing power on a distributed ledger network, such actor or botnet could manipulate the network to adversely affect the associated Cryptocurrency and its users. If a malicious actor or botnet obtains a majority of the processing power dedicated to mining a Cryptocurrency, it may be able to alter the distributed ledger network on which transactions of Cryptocurrency reside and rely by constructing fraudulent blocks or preventing certain transactions from being completed in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though generally it could not generate new units or transactions using such control. The malicious actor could "double-spend" its own Cryptocurrency (*i.e.*, spend the same Cryptocurrency tokens in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that such malicious actor or botnet does not yield its control of the processing power on the network or the Cryptocurrency community does not reject the fraudulent blocks as malicious, reversing any changes made to the distributed ledger network may not be possible. The foregoing description is not the only means by which the entirety of a network or Cryptocurrency may be compromised, but is only an example. Any such compromise would materially and adversely affect the Third Point Funds' investments in that Cryptocurrency. Although there are no known reports of malicious activity or control of distributed ledger networks achieved through controlling over 50% of the processing power on the network, it is believed that in respect of certain Cryptocurrencies some mining pools may have exceeded the 50% threshold of mining capacity. The possible crossing of the 50% threshold indicates a greater risk of potential malicious control. To the extent that the Cryptocurrency ecosystem, and the administrators of mining pools, do not act to ensure greater decentralization of mining processing power, the feasibility of a malicious actor obtaining control of the processing power will increase risk exposure in this area.

*Opaque Market for Cryptocurrencies*. At a high level, Cryptocurrency balances are maintained as public addresses on the relevant distributed ledger network, which generally constitutes a public record of all transactions in that Cryptocurrency. However, many Cryptocurrencies allow for "pseudonymity," whereby the identity of Cryptocurrencies holders may be unknown or difficult to identify. In addition, publicly available addresses on a distributed ledger may be used by Cryptocurrency exchanges, custodians or other service providers to hold assets on behalf of multiple beneficial owners. As a result, Cryptocurrency spot markets are more opaque than markets in traditional financial products and thus may be subject to increased risk of fraud, manipulation and other malfeasance. Notwithstanding applicable U.S. and foreign laws, many participants in the Cryptocurrency spot market have taken advantage of this characteristic, engaging in transactions without appropriate customer identification and anti-money laundering policies and procedures. While regulators have begun to take action in this area, these issues persist and give rise to an increased risk of manipulation and fraud in the Cryptocurrency space, including the potential for Ponzi schemes, bucket shops and pump and

dump schemes, as well as contribute to the real or perceived risk that Cryptocurrencies are the preferred choice of illicit actors. Furthermore, Cryptocurrency markets are global, and illicit activity on Cryptocurrency exchanges in jurisdictions with less stringent regulations and supervisory and enforcement authorities than in the United States may impact Cryptocurrency prices globally. The foregoing could adversely affect the appeal of Cryptocurrencies to investors, regulators' view of Cryptocurrencies and the growth and development of Cryptocurrencies generally, which, in turn, could adversely affect a Third Point Fund and its investments. The Investment Manager will select financial intermediaries that it believes have implemented adequate anti-money laundering, know-your-customer and other legal compliance policies and procedures, thus mitigating the Third Point Funds' potential legal risks and risk exposure to fraud and other malfeasance. However, there can be no assurance that the Investment Manager's efforts will be successful, and these efforts cannot and are not designed to address the opaqueness of Cryptocurrency markets in general.

*Cryptocurrency Exchanges, Intermediaries and Custodians*. The use of Cryptocurrency exchanges, custodians and other intermediaries involves various risks. Cryptocurrency exchanges do not operate as typical futures or securities exchanges. They combine features of both traditional brokers and exchanges and all transactions executed through such facilities are executed and settled on a principal to principal basis. Cryptocurrencies traded on a distributed ledger do not necessarily rely on a regulated intermediary or depository institution. The participation in Cryptocurrency exchanges requires users to take on credit risk by transferring Cryptocurrencies from a personal account to a third party's account. Accordingly, the Third Point Funds are exposed to credit risk with respect to their counterparties in each transaction in Cryptocurrencies, including transactions directly with a counterparty sourced through an exchange as well as transactions directly with such an exchange. The Cryptocurrency exchanges, custodians and other intermediaries are relatively new, often do not have an extensive operating history and are largely unregulated. As an example, neither the National Futures Association nor the CFTC has general regulatory oversight authority over spot virtual currency exchanges or markets. These entities generally are not subject to the same governmental oversight, and may have comparatively less well- developed or robust operational, risk and legal systems and procedures, when compared to market participants that are substantively regulated under either or both the U.S. futures or securities laws (or the equivalent or similar laws of any foreign jurisdiction). In addition, many of these entities may experience significant outages, disruptions, downtime and transaction processing delays due to cyberattacks, systems or technology failures or other reasons; may experience failure or be forced to cease operations due to theft, fraud, cyberattacks, liquidity or other business issues, regulatory proceedings or other reasons; may be particularly appealing targets from cyberattacks due to their substantial Cryptocurrency holdings; and/or may face substantial financial difficulties, including insolvency or bankruptcy for various reasons. These events have occurred in the past and may occur in the future. There can be no assurance that any such entity will have in place any insurance to mitigate customer losses if any of the foregoing were to occur or that any insurance will be sufficient to fulfill the claims of all affected customers. In the event any that any one of a Third Point Fund's financial intermediaries were subject to one or more of the foregoing adverse events, such Third Point Fund may be unable to recover its assets (whether fiat currency or Cryptocurrency) from the financial intermediary, and such Third Point Fund could suffer substantial losses. While certain of the Cryptocurrency exchanges with which the Third

Point Funds may deal may have adopted policies and procedures to mitigate these risks, the Third Point Funds do not have access to sufficient information or the resources to assess the adequacy or effectiveness of those policies and procedures.

Cryptocurrency exchanges often provide different services to varying customer types. They may act in one or more of the following capacities: (i) as venues of exchange, operating the platform on which buyers and sellers trade Cryptocurrencies and fiat currencies; (ii) in a role akin to a traditional broker- dealer, representing traders and executing trades on their behalf; (iii) as proprietary traders, buying and selling Cryptocurrency for their own accounts, often on their own platforms; (iv) as owners of large Cryptocurrency holdings; and/or (v) as issuers of a Cryptocurrency listed on their own and other platforms, with a direct stake in its performance. These differing capacities may raise substantial conflicts of interests. While exchanges for conventional derivatives and equities generally are restricted or heavily regulated in this regard, there are typically no similar restrictions or regulations in respect of Cryptocurrency exchanges. For example, conflicts of interests arise where (a) the owners or investors of a given Cryptocurrency exchange are themselves large holders or traders of Cryptocurrency traded on that exchange, (b) employees of the Cryptocurrency exchange are themselves Cryptocurrency investors/traders on the exchange, and/or (c) where the Cryptocurrency exchange is itself a proprietary trader trading for its own account on its own venue. The foregoing may result in circumstances where an owner, investor, employee and/or the Cryptocurrency exchange itself uses, or could use, non-public, inside information to inform trades—or promotes the adoption of policies, including those relating to trading activity, that are—to the detriment of exchange customers.

Many Cryptocurrency exchanges have not yet undertaken substantive efforts to detect, prevent and/or impede abusive, manipulative, or suspicious trading activity, including, for example, spoofing or other disruptive trading or the use of automated algorithmic or automated "bot" trading that could artificially influence Cryptocurrency prices. While some Cryptocurrency exchanges have taken steps to improve the fairness and integrity of their markets, others have not and, in fact, some have disclaimed responsibility for preventing traders from artificially affecting prices. Abusive or manipulative trading activities could negatively affect the pricing of, or market in, a given Cryptocurrency, which may result in losses to the Third Point Funds and/or adversely affect the Third Point Funds' ability to implement their investment strategies. The foregoing risks generally are exacerbated by the fact that Cryptocurrencies are a new asset class as to which effective real-time market surveillance technology is unsettled and still developing, that there currently is no mechanism for analyzing trading activity across multiple Cryptocurrency exchanges, and that, in comparison to traditional derivatives and equities markets, a relatively small number of major traders and institutions hold substantial concentrations of certain Cryptocurrencies.

In addition, some Cryptocurrency exchanges have developed products, services, features or functionalities that are designed for the benefit of professional, sophisticated traders, including but not limited to (i) high-volume trading fee discounts or similar pricing models, (ii) high-speed, direct market data feed access, and/or (iii) direct access to exchange computers/servers for high-speed trading. The foregoing allows professional traders to leverage data and speed advantages to automatically implement high-speed, high-volume algorithmic

trading strategies, which may not only adversely affect the trading performance of non-professional retail customers, but also artificially influence the pricing of, and market in, a given Cryptocurrency generally and possibly increase the potential for (and effect of) abusive or manipulative trading implemented by automated systems.

Protections for customer funds at Cryptocurrency exchanges may be inadequate or nonexistent. For example, there is no consistent, transparent practice among Cryptocurrency exchanges with respect to the independent auditing of customer Cryptocurrency balances, and some Cryptocurrency exchanges do not claim to conduct any independent auditing at all. Also, as noted above, a Cryptocurrency exchange may not have insurance for customer funds and even if it does, the insurance may be substantially inadequate to cover customer losses. In addition, with rare exceptions, lost or stolen Cryptocurrency is impossible to recover.

Cryptocurrency exchanges vary significantly in their policies and procedures relating to verifying accounts, monitoring for unauthorized access and unauthorized activities, and excluding accounts or customers that violate terms of service, including, but not limited to, limitations on trading activity or prohibitions on abusive or manipulative trading. As an example, while major Cryptocurrency exchanges generally prohibit a single beneficial owner from opening multiple accounts, a given Cryptocurrency exchange may not have the procedures and technological and security practices to effectively identify and prevent multiple account openings. If a Cryptocurrency exchange has not implemented policies and procedures in this regard, or if they are insufficient, the Cryptocurrency exchange may be unable to, among other things, successfully block unauthorized access, identify and prevent abusive or manipulative trading, or generally monitor its platform for fairness and integrity.

In addition to cyberattacks that may result in the loss of Cryptocurrency balances held at Cryptocurrency exchanges, a cyberattack on a Cryptocurrency exchange, or even an inadvertent technological glitch or failure at the Cryptocurrency exchange, may result in the outage, interruption or suspension of trading or other exchange services (including, for example, withdrawals) and/or cause exchange customers to be locked out of their accounts. Cryptocurrency exchanges may impose daily, weekly, monthly, or customer-specific transaction or distribution limits or suspend trading or withdrawals entirely, rendering the exchange of Cryptocurrency for fiat currency difficult or impossible. Cryptocurrency prices and valuations on exchanges have been volatile and subject to influence by many factors, including the levels of liquidity on particular exchanges and operational interruptions and disruptions. In addition, significant volatility and unexpected price movements, as well as congestion on underlying distributed ledger networks, has resulted in extreme stress on Cryptocurrency exchanges and their infrastructure, which has in turn resulted in trading halts and the suspension of services. The foregoing has occurred many times in the past and is likely to continue to be a regular occurrence. Customers, including the Third Point Funds, may suffer losses as a result (*e.g.*, from being unable to close out losing positions during a market downturn). This risk may be exacerbated to the extent that a Cryptocurrency exchange lacks or has inadequate written policies and procedures relating to, among other things, the circumstances in which the exchange will suspend or interrupt trading and/or services, how the exchange will handle pending orders at the time of a suspension, when and how the exchange will notify customers of the foregoing, and whether the exchange will permit withdrawals during a suspension.

Non-U.S. Cryptocurrency exchanges pose additional risks. It is possible that non-U.S. Cryptocurrency exchanges may not be as developed, liquid, or efficient as those in the U.S. U.S. Cryptocurrency exchanges already are subject to minimal U.S. regulation compared to exchanges in traditional derivatives and equities markets, but non-U.S. Cryptocurrency exchanges may be subject to no regulation, or less stringent or different regulation, which could provide even less legal protection to exchange customers. The foregoing factors may substantially enhance a non-U.S. Cryptocurrency exchange's susceptibility to the various risk factors set forth herein. Additionally, due to lack of globally consistent treatment and regulation of Cryptocurrencies, certain exchanges located outside the United States may not be currently available to or may in the future become unavailable to certain persons or entities based on their country of domicile, including the United States. The Third Point Funds may have access to fewer Cryptocurrency exchanges than it otherwise would have had if it pursued a different investment strategy. To the extent an exchange representing a substantial portion of liquidity for certain Cryptocurrencies or related instruments becomes unavailable to the Third Point Funds, it may become difficult, or impossible, for the Third Point Funds to deploy one or more strategies that otherwise would have deployed, and, as a result, the performance of the Third Point Funds may be adversely affected. It may be difficult, or even impossible, to sufficiently verify the ultimate ownership and control of a Cryptocurrency exchange and other information for evaluating the risks associated with such counterparty or exchange. In addition, Cryptocurrency, Cryptocurrency-related derivatives and other assets or claims held by the Third Point Funds at Cryptocurrency exchanges domiciled outside of the U.S. may be subject to a different and lower level of protection or no protection at all in the case of a non-U.S. Cryptocurrency exchange's distress, including bankruptcy, insolvency, bank resolution and recovery measures, or similar events.

Certain entities have qualified or been licensed under various state laws as spot Cryptocurrency custodians, typically as limited purpose trust companies. Additionally, the U.S. Office of the Comptroller of the Currency has recently authorized national banks and federal savings associations to provide Cryptocurrency services for customers. Spot Cryptocurrency custodians generally have different policies regarding how they maintain Cryptocurrencies, including the percentage of Cryptocurrencies maintained in "hot" and "cold" wallets (*i.e.*, what percentage of Cryptocurrency holdings are connected to the internet). Spot Cryptocurrency custodians may be subject to many of the same "Risk Factors" applicable to Cryptocurrency exchanges.

The Investment Manager will seek to utilize qualified third-party custodians for the Third Point Funds' Cryptocurrencies. However, qualified third-party custodians may not be available for all Cryptocurrencies, in which case the Third Point Funds may be required to self-custody some or all of their Cryptocurrencies. There can be no assurance that self-custody will adequately protect the security of such Cryptocurrencies, exposing the Third Point Funds to up to the complete loss of a Cryptocurrency owing to a security breach or other failure of the self-custody procedures.

*Regulation of Cryptocurrencies*. The regulation of Cryptocurrencies is relatively undeveloped and evolving; existing regulation is subject to change and interpretation and new regulation could be imposed at any time. Regulatory developments in this area are unpredictable

and may materially and adversely affect the Third Point Funds. As Cryptocurrencies have grown in popularity and market capitalization, the U.S. Congress has begun to intensely scrutinize this area, as have numerous governmental and self- regulatory authorities, including, among others, the Federal Reserve Board, the SEC, the CFTC, the Financial Crimes Enforcement Network, the IRS, and FINRA. State financial and securities regulators in all 50 states have also taken substantial interest in the crypto-space. Currently, the CFTC deems Cryptocurrencies to be commodities for purposes of the Commodity Exchange Act (and federal district courts have agreed), and certain Cryptocurrencies have been deemed securities by the SEC for purposes of the Securities Act. Regulators in foreign jurisdictions are also highly active in this area. The liquidity of Cryptocurrency markets will be influenced by new laws, regulations, policies and guidance which may vary significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty. Current and future legislation, regulatory rulemaking and other regulatory developments may impact the manner in which Cryptocurrencies are treated for classification and regulatory purposes.

The SEC and its staff have taken the position that certain Cryptocurrencies fall within the definition of a "security" under the U.S. federal securities laws. The legal test for determining whether any given Cryptocurrency is a security is a highly complex, fact-driven analysis that may evolve over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular Cryptocurrency as a security. Furthermore, the SEC's views in this area have evolved over time and it is difficult to predict the direction or timing of any continuing evolution. It is also possible that a change in the governing administration or the appointment of new SEC Commissioners could substantially impact the views of the SEC and its staff. Public statements made by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin and Ethereum are securities (as currently offered and sold). However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other Cryptocurrency. Currently, with the exception of certain centrally issued Cryptocurrencies that have received "no-action" letters from the SEC staff, Bitcoin and Ethereum are the only Cryptocurrencies which senior officials at the SEC have publicly stated are unlikely to be considered securities. With respect to all other Cryptocurrencies, there is no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions the Investment Manager may draw based on our risk-based assessment regarding the likelihood that a particular digital asset could be deemed a "security" under applicable laws. The views of international regulators may also influence the SEC's position and potentially increase the likelihood that certain Cryptocurrencies may be deemed securities under U.S. securities law.

If one or more Cryptocurrencies in respect of which the Third Point Funds have investments were deemed to be securities, the Third Point Funds may be subject to adverse consequences. For example, Cryptocurrency instruments deemed to be securities by the SEC will only be permitted to be resold or transferred in accordance with applicable securities law restrictions and to trade on an exchange or other trading venue that is properly registered with or exempt from registration with the SEC and that is able to accommodate trading in Cryptocurrency security instruments, which currently is a highly limited number. This would potentially severely restrict the ability to trade (and therefore the liquidity) in respect of the

affected Cryptocurrency and the Third Point Funds' holdings therein, materially and adversely affecting their value. These regulatory issues could cause the Investment Manager, in its sole discretion, to determine to liquidate all or a portion of the investments in respect of a Cryptocurrency deemed to be a security, which may result in sales at unfavorable prices.

Regulatory positions and regulatory actions taken in respect of a Cryptocurrency in which the Third Point Funds do not invest may adversely impact the demand for, and price of, one or more Cryptocurrencies in which the Third Point Funds do invest, thereby adversely affecting the value of the Third Point Funds' Cryptocurrency investments. For example, if a Cryptocurrency in which a Third Point Fund is not invested is deemed to be a security by the SEC, but certain other Cryptocurrencies are not, prices of Cryptocurrencies generally may nonetheless decline and the value of such Third Point Fund's investments may decline.

Any of the foregoing risks could materially and adversely affect Cryptocurrencies, participants in the Cryptocurrency markets (including exchanges, custodians, and other service providers) and the distributed ledger networks underlying Cryptocurrencies, *e.g.*, by requiring registration or licensing of participants under one or more statutory schemes at the federal, state or local level, directly regulating the use of Cryptocurrencies or severely restricting or entirely prohibiting the use and/or exchange of Cryptocurrencies. In addition, adverse regulatory developments with respect to Cryptocurrency security investments, even if not applicable to Cryptocurrencies, could have a negative overall effect on crypto-assets and the crypto-economy in general, which could have a flow-through effect on the value of Cryptocurrencies. Future changes in regulation are impossible to predict and may adversely affect the Third Point Funds. If the Third Point Funds or the Investment Manager are required to register or become licensed under federal or state laws and regulations applying to persons engaged in Cryptocurrency related businesses (such as money services businesses and money transmitters), each could be subject to substantial additional compliance and cost burdens, which could affect the Third Point Funds in a material and adverse manner. In addition, if the Third Point Funds or the Investment Manager are found to have operated without appropriate federal or state licenses, it may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties. Moreover, by investing in Cryptocurrencies, the Third Point Funds may be more likely to draw significant attention from regulatory authorities, which could increase the likelihood that the Third Point Funds or the Investment Manager will become the target of threatened or actual regulatory suits or proceedings.

The Third Point Funds' interactions with distributed ledger networks could expose the Third Point Funds to illegal content or otherwise cause the Third Point Funds or the Investment Manager to inadvertently violate applicable law. The distributed ledger networks underlying Cryptocurrencies involve the recordation and transmission of substantial amounts of data among countless users and other participants. The Third Point Funds' interactions with these networks as part of its investments could result in unintentional adverse legal consequences. For example, the Third Point Funds are required to comply with the sanctions programs imposed by the U.S. Office of Foreign Assets Control ("OFAC") and must not conduct business with persons named on its specially designated nationals ("SDN") list. However, because of the pseudonymous nature of Cryptocurrency transactions, it is possible that the Third Point Funds could inadvertently without their knowledge engage in transactions involving

persons named on OFAC's SDN list. To the extent governmental authorities literally enforce these and other laws and regulations in respect of distributed ledger technology, the Investment Manager or the Third Point Funds may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties.

One or more countries may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use Cryptocurrencies or to exchange them for fiat currency. In some nations, it is illegal to accept payment in Bitcoin and other Cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of Cryptocurrencies. For example, Cryptocurrency exchange trading platforms and initial coin offerings are illegal in China. Jurisdictions such as Malta and Bermuda have adopted new significant statutory frameworks governing distributed ledger technology, related assets and participants in the distributed ledger ecosystem. While actions by foreign regulators should not directly affect the Third Point Funds' and the Investment Manager's activities in the U.S., they may have an adverse effect on the targeted Cryptocurrencies generally, which could negatively affect the Third Point Funds' Cryptocurrency investments.

*Cryptocurrency Risks Related to the Use of Technology.* Cryptocurrencies and their underlying distributed ledger networks are subject to the risks of flawed or ineffective source code or cryptography. If the source code or cryptography of the distributed ledger network underlying a Cryptocurrency held by a Third Point Fund proves to be flawed or ineffective, malicious actors may be able to steal and/or compromise such Third Point Fund's Cryptocurrency assets or otherwise harm participants on the affected distributed ledger network. Several errors and defects have been publicly found and corrected, including those that disabled some functionality for users and exposed users' personal information. In the past, malicious actors have exploited flaws to take or create Cryptocurrency in contravention of known distributed ledger network rules and otherwise tamper with the distributed ledger network. In addition, the cryptography underlying a Cryptocurrency could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming obsolete and ineffective over time and permit a malfeasance by a malicious actor (including stealing Cryptocurrency assets). If one or more Cryptocurrencies in respect of which a Third Point Fund has investments were affected by any of the foregoing, such Third Point Fund could experience substantial losses. Even if a Third Point Fund did not have investments in an affected Cryptocurrency, any reduction in confidence in the source code or cryptography underlying Cryptocurrencies generally could negatively affect the demand for Cryptocurrencies generally and therefore adversely affect such Third Point Fund.

Cryptocurrencies' distributed ledger networks are frequently based on open source software, which may result in insufficient incentive for developers to continue maintaining and/or participating in the networks. The open source structure of many Cryptocurrency distributed ledger network protocols means that certain core developers and other open source contributors ("Developers") may not be directly compensated for their contributions in developing, maintaining and updating the network protocol (*i.e.*, the network protocols are not sold and their development and/or use does not generate revenue). Consequently, Developers may lack a financial incentive to develop or maintain the network

and/or may have insufficient resources to adequately address emerging issues with the networks. Cryptocurrencies are not issued or controlled by a central authority, and changes in software protocols that affect a Cryptocurrency's distributed ledger network can be implemented through various forms of network governance, including acceptance of changes by a predetermined number of miners (*i.e.*, transaction validators) or by user votes. These governance mechanisms may be unclear or poorly implemented, which could lead to ineffective decision-making that slows the development and growth of the network, prevents the network from overcoming critical obstacles or issues or otherwise negatively affects the network, all of which could impair the associated Cryptocurrency's development and growth. There can be no guarantee that Developer support will continue or be sufficient in the future in respect of any Cryptocurrency. To the extent that material issues arise with certain Cryptocurrency network protocols and the associated Developers are unable or unwilling to address the issues adequately or in a timely manner, or if the associated Developers are unable or unwilling to properly monitor and upgrade the network protocols, the affected distributed ledger network may be damaged or compromised, become ineffective or lose user and market confidence. Any of the foregoing circumstances could cause a material and adverse effect to the affected Cryptocurrency and the Third Point Funds' Cryptocurrency investments.

Cryptocurrencies' distributed ledger networks are, in some cases, maintained by Developers that may have conflicts of interests. Some Developers for certain Cryptocurrency distributed ledger network protocols may be funded by companies whose interests may conflict with those of other participants and users in the network. There can be no guarantee that any Developer in respect of a Cryptocurrency will act in the best interest of any particular user, participant, or group of users or participants.

Many Cryptocurrency distributed ledger networks face significant scaling challenges. If a Cryptocurrency is unable to overcome its obstacles to scale, the affected Cryptocurrency may be unable to handle increased transaction volume over time, may suffer slower transaction settlement times, or may be subject to other material, adverse effects. If any of the foregoing were to occur, the affected Cryptocurrency's market acceptance, confidence and value (and the Third Point Funds' investments with respect to such Cryptocurrency) may be materially and adversely affected. There is no guarantee that any Cryptocurrency will be able to overcome its obstacles to scale.

Cryptocurrencies and their underlying distributed ledger networks are dependent on internet connectivity to function (*i.e.*, to send and receive transactions among users and to validate transactions on their distributed ledger networks). A significant disruption in internet connectivity could interrupt the network operations of a Cryptocurrency and may have a material and adverse effect to its price (and the Third Point Funds' investments in respect thereof).

Cryptocurrencies may be subject to "forking," which could result in adverse effects. If a significant majority of users and miners on a Cryptocurrency's distributed ledger network install software that changes the Cryptocurrency network or properties of a Cryptocurrency, including the irreversibility of transactions and limitations on the mining of new Cryptocurrency, the Cryptocurrency network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the Cryptocurrency network consent to the proposed modification, and the modification is not compatible with the software

prior to its modification, the consequence would be what is known as a "fork" of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Cryptocurrency running in parallel yet lacking interchangeability. Additionally, it may be unclear following a fork which fork represents the original Cryptocurrency and which is the new Cryptocurrency. Different metrics adopted by industry participants to determine which is the original asset include: (i) desires of the Developers of a Cryptocurrency, (ii) the distributed ledger network with the greatest amount of hashing power contributed by miners or validators, or (iii) the distributed ledger with the longest chain. A fork could adversely affect a Third Point Fund's investments in respect of both the new and original Cryptocurrencies.

In addition to forks, a Cryptocurrency may become the subject of an "airdrop." In an airdrop, the promotors of a new Cryptocurrency distribute such Cryptocurrency to numerous holders of other Cryptocurrencies, generally at no monetary cost, based on the fact that they hold such other Cryptocurrencies, or in exchange for certain promotional or other services. Cryptocurrencies received through forks, airdrops and other similar events are referred to herein as "Incidental Assets."

A Third Point Fund may not receive the benefits of any forks, and a Third Point Fund may not choose, or be able, to participate in an airdrop, and the timing of receiving any benefits from a fork, airdrop or similar event is uncertain. There are likely to be legal, tax, regulatory, operational and other considerations that limit or prevent the Third Point Funds from realizing a benefit from any Incidental Assets. The Investment Manager may determine that there is no safe or practical way to custody an Incidental Asset, that doing so may pose an unacceptable risk to the Third Point Funds, or that the costs of holding an Incidental Asset exceed the benefits of holding such Incidental Asset. Moreover, it may be illegal to sell or otherwise dispose of an Incidental Asset, or there may not be a suitable market into which an Incidental Asset can be sold (immediately after the fork or airdrop, or ever). The Investment Manager may also determine that an Incidental Asset is, or is likely to be deemed, a "security" under U.S. federal or state securities laws. As such, the Investment Manager may determine to dispose of an Incidental Asset without realizing any economic benefit from such asset. There can be no assurance as to the price or prices for any Incidental Asset, and the value of an Incidental Asset may increase or decrease after any sale by a Third Point Fund. In addition, the Investment Manager may determine to irrevocably abandon an Incidental Asset if the Investment Manager believes that holding such Incidental Asset would have an adverse effect on a Third Point Fund and it would not be practicable or possible to dispose of the Incidental Asset in a manner that would result in such Third Point Fund receiving more than insignificant consideration. In the case of abandonment of an Incidental Asset, a Third Point Fund would not receive any direct or indirect consideration for the Incidental Asset. The Investment Manager intends to evaluate each fork, airdrop or similar occurrence on a case-by-case basis to determine whether to abandon or otherwise dispose of the relevant Incidental Asset.

Cryptocurrency transactions generally are irreversible, which may enhance the potential for loss. Just as a Cryptocurrency's distributed ledger creates a permanent, public record of Cryptocurrency transactions, it also creates an irrevocable one. Thus, even if the transaction turns out to have been in error (e.g., if Cryptocurrency is erroneously sent to the

wrong destination) or due to theft of a user's Cryptocurrency, the transaction is not reversible. The Third Point Funds therefore may be unable to replace or to seek reimbursement for Cryptocurrency that is missing, lost or misdirected for any reason, which could materially adversely affect the Third Point Funds.

Intellectual property rights claims may adversely affect Cryptocurrencies. The distributed ledger networks underlying Cryptocurrencies are often based on open source software. Nonetheless, certain third parties could bring intellectual property rights claims in respect of certain of the protocols or code underlying a particular Cryptocurrency's distributed ledger network. Regardless of the merit of any such claim, any threatened action that reduces confidence in long-term legal viability of such protocols or code may materially and adversely affect the associated Cryptocurrency. If any intellectual property claim were successful, it is possible that users could potentially be prevented from accessing, holding or transferring Cryptocurrency using such protocols or code. Any of the foregoing circumstances may cause a substantial and adverse effect on the price of the affected Cryptocurrency and the Third Point Funds' Cryptocurrency investments.

*Risks Related to Smart Contracts*. Smart contracts are programs that run on certain distributed ledger networks, such as the Ethereum network and others, that execute automatically when certain conditions are met. Since smart contracts typically cannot be stopped or reversed, vulnerabilities in their programming can have damaging effects. For example, in June 2016, a vulnerability in the smart contracts underlying "The DAO," a distributed autonomous organization for venture capital funding, allowed an attack by a hacker to syphon approximately $60 million worth of Ethereum from The DAO's Ethereum wallets into a segregated account. In the aftermath of the theft, certain developers and core contributors pursued a "hard fork" of the Ethereum Network in order to erase any record of the theft. Despite these efforts, the price of Ethereum dropped approximately 35% in the aftermath of the attack and subsequent hard fork. In addition, in July 2017, a vulnerability in a smart contract for a multi-signature wallet software developed by Parity led to a $30 million theft of Ethereum, and in November 2017, a new vulnerability in Parity's wallet software led to roughly $160 million worth of Ethereum being indefinitely frozen in an account.

Smart contracts are integral to many decentralized finance activities, and therefore such decentralized finance activities are subject to risks related to errors, bugs or other vulnerabilities and problems with the development and deployment of smart contracts. See "*Decentralized Finance ("DeFi") Risks*" below. For example, in August 2020, Yam Finance, a decentralized finance application that allowed users to stake various Cryptocurrencies in exchange for YAM tokens announced that the protocol had a critical bug. Following the announcement, the value of YAM dropped to zero.

Accordingly, errors or problems with any smart contracts which underpin any particular Cryptocurrencies or are related to any of the Third Point Funds' activities could adversely affect the value of the Cryptocurrencies.

The complexity and interconnectedness of distributed ledger networks, applications, and economic systems enables new forms of malicious attacks that leverage a feature or vulnerability of one system to attack another. Such an attack may take the form of a temporary manipulation

of the price of certain Cryptocurrencies that trigger second order behaviors, such as automatic collateral liquidations on decentralized applications or Cryptocurrency exchanges. Such an attack could adversely affect the Third Point Funds. A malicious actor can exploit the structure of one or a series of smart contracts or applications in ways that do not technically constitute exploitation of a "bug" or flaw in the smart contract or application. For example, such an exploit has occurred repeatedly in the Ethereum DeFi ecosystem, whereby a decentralized exchange or lending application is designed to reference an external pricing source of a particular Cryptocurrency to determine when to liquidate collateral. By manipulating the price of the particular Cryptocurrency on a third-party platform (such as a Cryptocurrency exchange), the pricing source used by the decentralized exchange or application is consequently manipulated, which then leads to uneconomic collateral liquidations on the decentralized exchange or application. Such liquidations may be processed automatically by decentralized software and could have a material adverse effect on the Third Point Funds and an investment in the Third Point Funds.

While alternative distributed ledger networks with smart contract functionality designed for DeFi applications are currently in development and may gain in popularity, the vast majority of DeFi protocols operate on the Ethereum network. There are currently over 100 DeFi applications on Ethereum, ranging from decentralized exchanges and lending protocols to derivatives trading platforms and yield-generating liquidity pools. However, the Ethereum network has in the past experienced performance problems processing high numbers of transactions, and may continue to have such problems in the future, especially in light of the increase in usage of Ethereum-based DeFi applications. As a result, transaction costs – known on the Ethereum network as "gas" fees – and transaction processing times have increased substantially on the Ethereum network, reaching the highest since 2018. This means that a Third Point Fund's investments and absolute returns on its Cryptocurrencies can be diminished due to the high gas fees that need to be paid to move Cryptocurrencies in and out of DeFi protocols. In addition, network delays may mean that Cryptocurrency transactions are not executed at the intended time or price. While the Ethereum developer community is working to address these issues with future network upgrades, there is no guarantee that any network upgrades will ensure that Ethereum can handle a higher number of transactions or that gas fees will be reduced.

*Decentralized Finance ("DeFi") Risks*. Decentralized Finance, or DeFi, refers to a variety of distributed ledger-based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology rather than such services being offered by central intermediaries. Because DeFi applications and protocols generally rely on the same types of underlying technologies as Cryptocurrencies, most risks applicable to Cryptocurrencies (including phishing, hacking, and technology risks) are also applicable to DeFi protocols and hence any investment by the Third Point Funds into DeFi protocols and related Cryptocurrencies will be subject to general Cryptocurrency risks as described elsewhere.

Common DeFi applications include borrowing/lending Cryptocurrencies, and providing liquidity or market making in Cryptocurrencies. Because DeFi applications rely on smart contracts, any errors, bugs, or vulnerabilities in smart contracts used in connection with DeFi activities may adversely affect such activities. DeFi lending is subject to counterparty risk and credit risk, but because lending is automated through the DeFi protocol, rather than a Third Point

Fund's individual decisions, such risks may be exacerbated, particularly if there are flaws in a DeFi protocol's code or operation.

In parallel with the wider Cryptocurrency sector, DeFi applications and protocols are subject to an uncertain regulatory environment. In part due to its early stage nature, DeFi is subjected to intense scrutiny from financial regulators and governments, who, for the most part, find the complexities in the technology and the idea of a lack of identifiable regulated intermediaries, extremely challenging. Accordingly, the use of DeFi applications may be subject to more risks than engaging in similar activities through regulated financial intermediaries. In addition, in certain decentralized protocols, it may be difficult or impossible to verify the identity of a transaction counterparty necessary to comply with any applicable anti-money laundering, countering the financing of terrorism, or sanctions regulations or controls. As DeFi applications and protocols become more popular and gain adoption, the response of regulators to DeFi products will become an increasing risk.

*Transaction Fees Awarded to Validators*. Insufficient transaction fees may affect Cryptocurrencies and their underlying distributed ledger networks. Many Cryptocurrencies are created through a validation process wherein participants on the network (collectively, "validators") may add a block to the Cryptocurrency's distributed ledger and thereby confirm the transactions included in that block's data. Validators that are successful in adding a block are automatically awarded a transaction fee or other reward for their efforts. These transaction fees may not be properly matched to the validators' effort for various reasons, including, for example, where transaction fees decrease in size over time and/or where the value of fees awarded in the associated Cryptocurrency declines as a result of decreased use and demand in such Cryptocurrency. If this were to occur, validators may not have an adequate incentive to continue validating transactions on a given distributed ledger network. If any validators cease operations, there could be substantial delays in the recording of transactions on the affected distributed ledger network. Validators ceasing operations could also reduce the collective processing power on such network, increasing the likelihood of a malicious actor or botnet obtaining control and potentially undermining the validation process for transactions in the associated Cryptocurrency. The foregoing could reduce user confidence in the affected distributed ledger network, which could materially and adversely affect the value of the associated Cryptocurrency and the Third Point Funds' Cryptocurrency investments.

Transaction fees in respect of a Cryptocurrency's distributed ledger network may increase over time for various reasons (*e.g.*, validators may require higher transaction fees in exchange for recording transactions or existing or modified software protocols underlying the network may automatically increase transaction fees over time). Increases in transaction fees on a distributed ledger network could potentially decrease demand for the associated Cryptocurrency, cause the marketplace (including retail merchants and commercial businesses) to become reluctant to accept such Cryptocurrency, and/or motivate users to switch to another Cryptocurrency or to fiat currency altogether. Any of the foregoing could result in substantial decreases or volatility in the affected Cryptocurrency, materially and adversely affecting the Third Point Funds' Cryptocurrency investments.

*Cryptocurrency Derivatives*. As noted above, the Third Point Funds may gain exposure to Cryptocurrencies through a variety of derivative instruments (including, but not

limited to, futures, options and swaps). Any such investments would subject the Third Point Funds to the same potential risks related to investments in derivative instruments described in "*Certain Risk Factors – Derivative Instruments in General*," which risks are likely to be exacerbated by the unique liquidity and other features of Cryptocurrencies.

To date, U.S. licensed derivative exchanges generally do not permit as much leverage (if any at all) for Cryptocurrencies derivatives compared to traditional futures and swaps. In addition, the futures commission merchants ("FCMs") through which the Third Point Funds will access futures contracts may impose margin requirements above those of the exchange, and any short selling transactions in futures and options as well as swaps by the Third Point Funds may require the Third Point Funds to post collateral in an amount equal to the full value of the Cryptocurrency that is sold short. It is possible that, in the future, current and new futures as well as options and swaps on Cryptocurrencies may have lower margin or collateral requirements, which would increase the inherent leverage of such products and the leverage of the Third Point Funds. Although the use of leverage can substantially improve the return on invested capital, its use also may increase any adverse impact to which the investment portfolios of the Third Point Funds may be subject. See "*Certain Risk Factors – Risks of Special Techniques – Leverage*."

Designated Contract Markets ("DCMs") or FCMs may impose other requirements or limitations on futures trading, including without limitation requiring additional margin for specific contracts, prohibiting naked shorting or prohibiting give-in transactions. These requirements or limitations may be more onerous with respect to Cryptocurrency futures trading and could impair the Third Point Funds' trading activities. On the other hand, swaps involving Cryptocurrencies currently are not subject to mandatory clearing or mandatory execution on a Swap Execution Facility or a DCM.

*Cannabis Investing*. The Third Point Funds may invest in companies that are involved in the cannabis industry, including, without limitation, in the production, distribution and sales processes.

Production, distribution, sale and use of cannabis is regulated by both the U.S. federal government and state governments, and state and federal laws regarding cannabis often conflict. Although the medical use of cannabis is legal in more than half of the states, as well as the District of Columbia, and recreational use of cannabis is legal in an increasing number of states and the District of Columbia, the possession and use of cannabis remains illegal under U.S. federal law, which pre-empts state laws that legalize its use for medicinal and recreational purposes.

In addition, companies in which a Third Point Fund invests may be organized and listed in Canada or other countries where cannabis is legal and cannabis companies are able to list their shares on national securities exchanges. However, these companies may engage in the cultivation or production of cannabis outside of such jurisdictions, including in the United States. Furthermore, while cannabis is currently legal in Canada, the legal framework is fairly new and untested, varies across Canada's provinces and territories, and thus creates an uncertain regulatory and market environment, different competitive pressures and significant additional compliance and other costs for such cannabis companies in such markets. Additionally, the

existence of a black market and lack of a futures market for cannabis products in Canada creates potential uncertainty in price discovery.

Moreover, there can be no assurance that U.S. or Canadian federal, provincial, territorial or state laws regulating cannabis will not be repealed or overturned, that proposed laws regulating cannabis will be passed, or that governmental authorities will not limit the application of such laws within their respective jurisdictions. If governmental authorities change the manner in which cannabis laws are enforced in jurisdictions where a Third Point Fund invests, or if existing laws are repealed or new laws are passed, a Third Point Funds' investments may be materially and adversely affected.

Companies involved in the cannabis industry may have substantial burdens on company resources due to litigation, complaints or enforcement actions. For example, financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under certain money laundering statutes, unlicensed money transmitter statutes and the U.S. Bank Secrecy Act of 1970, as amended. Additionally, cannabis companies may also have limited access to the services of banks. Since the cultivation, possession, and distribution of cannabis can be illegal under U.S. federal law under certain circumstances, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of cannabis. Moreover, the marketability of any product may be affected by numerous factors that are beyond the control of a company and which cannot be predicted, such as changes to government regulations and taxes, any of which could materially and adversely impact the companies in which the Third Point Funds invest and in-turn the Third Point Funds' returns.

The cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. Cannabis companies are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. Cannabis is a Schedule I controlled substance under the United States Controlled Substances Act, meaning that under U.S. federal law, cannabis may not be prescribed, marketed or sold in the United States. Facilities conducting research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the United States Drug Enforcement Administration to prevent drug loss and diversion. Cannabis companies may incur ongoing costs and obligations related to licensure and regulatory compliance. Failure to comply with such obligations may result in additional costs for corrective measures, significant penalties or in restrictions of operations. In addition, changes to regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of such companies and, therefore, on the Third Point Funds' prospective returns.

*Effects of Speculative Position Limits*. The CFTC and various exchanges impose limits on the maximum net long or net short (or, for some commodities, gross) positions that any person or groups of persons may own, hold or control in particular futures or options on such futures contracts and such rules generally require aggregation of the positions owned, held or controlled by related entities. The Dodd-Frank Act significantly expands the CFTC's authority

to impose position limits with respect to futures contracts, options on futures contracts and certain swaps. The CFTC recently adopted position limit rules that, once effective, will apply to futures contracts on 25 agricultural, energy and metal commodities, along with certain linked futures and options on futures contracts, as well as economically equivalent swaps. These rules may adversely impact the Third Point Funds. The CFTC has also adopted rules and rule amendments that add certain exemptions from aggregation (some aspects of which are currently subject to CFTC staff no-action relief), but which incorporate aggregation criteria which are more restrictive in some respects than prior rules and which may hinder the Investment Manager's ability to trade certain contracts or may result in a Third Point Fund limiting its investments. In addition, the Dodd-Frank Act requires the SEC to set position limits on security-based swaps. The Investment Manager could be required to liquidate positions held for a Third Point Fund, or may not be able to fully implement trading strategies, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Third Point Funds.

*Turnover*. A substantial portion of the Third Point Funds' capital may be invested on the basis of short-term market considerations. The portfolio turnover rate of those investments may be significant, potentially involving substantial brokerage commissions and fees. These commissions and fees will reduce the Third Point Funds' net profits.

*Concentration Risk; Non-Diversified Investment Program*. A substantial portion of the Fund's assets will be invested in the Third Point Funds, and each of the Third Point Funds follows investment objectives substantially similar to one another, with the exception that some Third Point Funds may be more levered than other Third Point Funds. Therefore, investors in the Fund should understand that a substantial portion of the Fund's assets will be subject to the same concentration risks as the Third Point Funds.

The Third Point Funds are not subject to any hard limits regarding diversification of investments to reduce their risk of loss (see "*Investment Program – Risk Management*"). The Third Point Funds may at certain times hold large positions in a relatively limited number of investments. The Third Point Funds could be subject to significant losses if they hold a relatively large position in a single issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. The Third Point Funds' investments could potentially be concentrated (and not hedged) in relatively few strategies, issuers, industries or markets.

*Market Risks and Lack of Liquidity*. The success of the Third Point Funds' investment programs depends to a great extent upon the ability of the Investment Manager to assess correctly the future course of price movements of stocks, bonds and foreign currencies. There can be no assurance that the Investment Manager will accurately predict such movements. In addition, certain of the securities in which the Third Point Funds' capital is invested, from time to time, have limited liquidity. During periods of stress in the markets, prices for securities with less liquidity typically suffer significantly more than more liquid, exchange-traded equities. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the market value of Fund investments from time to time.

*Volatility Risk*. The Third Point Funds' investment programs may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by the Third Point Funds. In addition, many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for the Third Point Funds' investments.

*Governmental Intervention*. Pervasive and fundamental disruptions undergone by global financial markets may lead to extensive and unprecedented governmental intervention, including conservatorship and the suspensions of short selling with respect to certain companies. Such intervention may be 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. In addition, some of these interventions may be unclear in scope and application, resulting in market uncertainty that may negatively affect the efficient functioning of the markets, as well as previously successful investment strategies. It is impossible to predict whether and when such governmental intervention may occur and any such governmental intervention may affect the success of the Third Point Funds' investment strategies and may cause the Third Point Funds to sustain significant loss.

Certain legislation proposing greater regulation or taxation of the hedge fund industry periodically is considered by Congress, as well as the governing bodies in non-U.S. jurisdictions. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Third Point Funds' strategies. Any such regulation could also require increased transparency as to the identity of the Limited Partners.

*Trading on Foreign Exchanges.* The Third Point Funds may trade on exchanges located outside the United States. Trading on such exchanges is not regulated by the SEC and may, therefore, be subject to more risks than trading on domestic exchanges such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events.

*Loans of Portfolio Securities*. The Third Point Funds may lend their portfolio securities. By doing so, the Third Point Funds attempt to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Third Point Funds could experience delays in recovering the loaned securities. To the extent that the value of the securities the Third Point Funds lent has increased, the Third Point Funds could experience a loss if such securities are not recovered.

*Reliance on Third Parties*. The Investment Manager will rely on third parties to provide it with different types of data, including real time, raw and calculated data via the Internet. The Third Point Funds could be adversely affected if their or their data providers' computer systems or infrastructure cannot properly process and calculate the information needed for the Investment Manager to conduct its trading strategies or if such information provided is incorrect or incomplete.

*Investment Analysis*. When assessing investment opportunities, the Investment Manager relies on resources that may have limited or incomplete information. In particular, the Investment Manager relies on publicly available information, data filed with various government regulators and non-public information subject to certain confidentiality obligations. Although the Investment Manager expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, the Investment Manager will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by the Investment Manager will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Third Point Funds.

*Fraud*. In making certain investments, the Investment Manager often relies upon the accuracy and completeness of representations made by the issuer of such investment, but cannot guarantee the accuracy or completeness of such representations. Of concern in purchasing investments is the possibility of material misrepresentation or omission on the part of an issuer. Such inaccuracy or incompleteness may adversely affect the valuation of any investment. Instances of fraud and other deceptive practices committed by senior management of certain companies in which the Third Point Funds may invest may undermine the ability of the Investment Manager to conduct effective due diligence on, or successfully exit investments made in, such companies and may result in the Third Point Funds incurring losses. In addition, financial fraud may contribute to overall market volatility, which can negatively impact the Third Point Funds' investment programs. Under certain circumstances, payments to the Third Point Funds may be reclaimed if they are later determined to have been made with an intent to defraud creditors or make a preferential payment.

*Exposure to Material Non-Public and Other Restricting Information*. Because of its responsibilities in connection with investment-related activities, the Investment Manager will acquire confidential information and/or material non-public information (or certain other information) with respect to an issuer of publicly-traded securities or other securities, or may otherwise be restricted (or determine to be restricted) from initiating transactions in certain potential investment opportunities and may enter into confidentiality or "stand-still agreements" with respect to certain investment opportunities. In addition, during the course of the research process, the Investment Manager may share and receive information from other market participants, which could increase the likelihood that the Investment Manager will receive material nonpublic information and be required to restrict trading in certain issuers. In such circumstances, the Investment Manager may restrict the Third Point Funds, or the Third Point Funds may be prohibited, by law, policy or contract, for a period of time from (i) selling all or a portion of a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. If these restrictions or prohibitions apply to issuers in which a Third Point Fund invests, such restrictions or limitations could prevent a Third Point Fund from accessing a profitable

investment opportunity or give rise to substantial investment losses, which losses, in the case of an issuer in which a Third Point Fund has a short position, are theoretically unlimited.

*Engaged Investor*. From time to time, the Third Point Funds may pursue an active role in effectuating corporate, managerial or similar change with respect to an investment.

The costs in time, resources and capital involved in such investments depend on the circumstances, which are only in part within the Investment Manager's control, and may be significant, particularly if litigation against the Third Point Funds and/or the Investment Manager ensues or if the Third Point Funds and/or the Investment Manager commence(s) litigation in furtherance of the Third Point Funds' investment strategies. The expenses associated with such investment strategies, including potential litigation or other transactional costs, such as the costs associated with proxy contests, SEC (or similar regulatory authority) filings, audits and inquiries and the costs (including incentive compensation (which may amount to significant sums upon the occurrence of certain events) and potential indemnification costs) of having certain individuals be the nominees for or serve on the boards of directors of the "portfolio companies," at the Third Point Funds' request, in which the Third Point Funds invest, will be borne by the Third Point Funds.

The success of the Third Point Funds' engaged investment strategies with respect to any specific investment may require, among other things: (i) that the Investment Manager properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that the Third Point Funds acquire sufficient shares of the securities of such portfolio companies at a sufficiently attractive price; (iii) a positive response by the management of portfolio companies to shareholder engagement; (iv) a positive response by other shareholders to shareholder engagement and the Third Point Funds' proposals (such shareholders may include types of shareholders believed by some to not be inclined to support any side in corporate governance disputes); and (v) a positive response by the markets to any actions taken by "portfolio companies" in response to shareholder engagement. No assurances are given that any of the foregoing will succeed.

The Third Point Funds, either alone or together with others (including any Affiliated Fund), may secure the appointment of persons to a portfolio company's board of directors, creditor committees or similar body. It is the policy of the Investment Manager that any cash or other compensation paid, or benefits accrued, in either case, to the Investment Manager's employees (net of any taxes owed by the employee) for their service to a portfolio company's management team, board of directors, creditor committees or similar body are treated as an offset against the management fee of the Third Point Funds (with such compensation allocated among the Third Point Funds and the Affiliated Funds in such proportion as the Investment Manager deems fair and equitable to reflect their respective interests in the portfolio company), and any such compensation that is in excess of the management fee will be donated to a charity selected by the Investment Manager. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees) serving on the board of directors of a portfolio company at the Third Point Funds' request may acquire fiduciary duties to such portfolio company and to such portfolio company's shareholders, members, unitholders, partners or other owners or other stakeholders of such portfolio company, in addition to the duties it owes

the Third Point Funds. Such fiduciary duties may require such individuals to take actions that are in the best interests of a portfolio company or the shareholders, members, unitholders, partners or other owners of such portfolio company. Accordingly, situations may arise where members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees may have conflicts of interest between any duties that they owe to a portfolio company and the shareholders, members, unitholders, partners or other owners of such portfolio company, on the one hand, and any duties that they owe to the Third Point Funds, on the other hand.

It should also be noted that any individual serving on the board of directors of a "portfolio company" at the Third Point Funds' request will have fiduciary duties to all shareholders of such company, which at times may not be consistent with the short-term needs of the Third Point Funds.

Corporate governance strategies may prove ineffective for a variety of reasons, including: (i) opposition of the management or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies; (iii) efforts by the subject company to pursue a "defensive" strategy; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms such as staggered boards, poison pills and classes of stock with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of a proposed corporate governance change may seek to involve regulatory agencies in investigating the transaction or the Third Point Funds and such regulatory agencies may independently investigate the participants in a transaction, including the Third Point Funds and/or the Investment Manager, as to compliance with securities or other law. Furthermore, successful execution of a corporate governance strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the Third Point Funds and some of those parties may be indifferent to the proposed changes. Additionally, due to the proliferation of exchange traded funds, there may be a greater proportion of outstanding shares of a target issuer that will not participate in voting on shareholder matters relating to the target issuer, which may make it more difficult for the Investment Manager to obtain the necessary shareholder approvals to implement its strategy. Moreover, securities that the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates, even if a corporate governance strategy is successfully implemented. Even if the prices for a portfolio company's securities have increased, no guarantee can be made that there will be sufficient liquidity in the markets to allow the Third Point Funds to dispose of all or any of their securities therein or to realize any increase in the price of such securities.

In addition, as a result of the Third Point Funds' engaged strategies (including, without limitation, in circumstances where an individual, at the Third Point Funds' request, is appointed to a board of directors), the Third Point Funds may become privy to information (including material non-public information), which may subject the Third Point Funds to trading restrictions (including prohibiting the Third Point Funds from trading in certain securities or only permitting the Third Point Funds to trade in certain securities during certain periods) pursuant to

the internal trading policies of the Investment Manager or applicable law or regulations. Such restrictions on the purchasing or selling of securities may have an adverse effect on the Third Point Funds.

*Section 16 and Hart-Scott-Rodino Obligations*. In connection with any acquisition of beneficial ownership by the Third Point Funds and the Affiliated Funds of more than 5% of any class of the equity securities of a company registered under the Exchange Act, the Third Point Funds may be required to make certain filings with the SEC. Generally, these filings require disclosure of the identity and background of the purchasers, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, the Third Point Funds may be required to aggregate certain investments in a given company with the beneficial ownership of that company's securities held by or on behalf of the Investment Manager and its affiliates, which could require the Third Point Funds, together with such other parties, to make certain disclosure filings or otherwise restrict the Third Point Funds' activities with respect to such company's securities. If the Third Point Funds, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a public company or places a director on the board of directors of such a company, the Third Point Funds may be subject to certain additional reporting requirements, to liability for short-swing profits under Section 16 of the Exchange Act and to certain restrictions on their ability to hedge their exposure to such issuer. In addition, the Third Point Funds may be required to make filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended, the "HSR Act") with respect to their ownership of certain voting securities, and possibly be subject to certain fees, penalties or sanctions, if they fail to do so. The Third Point Funds and the Investment Manager are currently subject to a Federal Trade Commission consent order which prohibits them from relying on the investment-only exemption under the HSR Act in certain circumstances. A copy of such consent order is available to any Limited Partner upon request.

*Minority Investments*. While, as described above, the Third Point Funds may pursue an active role with respect to certain investments, it is expected that the Third Point Funds will not seek to do so with respect to other investments. Where the Third Point Funds hold a minority interest in an issuer the Third Point Funds may have limited ability to protect its position and investment.

*Litigation Risk.* In the ordinary course of business, the Third Point Funds and/or the Investment Manager (and its affiliates) may become a party(ies) to threatened and actual litigation. Such litigation may involve regulatory authorities and commercial interests. Litigation may arise in the course of engaged investment activities (such as, but not limited to, proxy contests, direct shorts, breach of contract and service on credit and ad-hoc committees), may result from the nature of the Third Point Funds' holdings (such as, but not limited to, controlling shareholder or lender liability claims) or could be driven by increased or changing interests by regulators in fund activities. The outcome of any legal proceedings, which may materially adversely affect the value of the Third Point Funds, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Investment Manager's time and attention and involve

significant expense (which the Third Point Funds will ordinarily bear), and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

The outcome of any such threatened or actual litigation, which may include monetary damages, fees, fines and other sanctions, whether as a result of such regulatory authorities or such commercial interests prevailing, or the Third Point Funds determining after consultation with the Investment Manager to settle such threatened or actual litigation, will ordinarily be borne by the Third Point Funds (see "*Potential Conflicts of Interest – Expenses*").

*Co-Investments with Third Parties*. The Third Point Funds may co-invest with third parties through joint ventures or other entities (see "*Potential Conflicts of Interest – Co-Investments*"). Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Third Point Funds or may be in a position to take (or block) action in a manner contrary to the Third Point Funds' investment objectives. In certain circumstances, such third parties may enter into compensation arrangements with the Third Point Funds and other investors and participants relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Third Point Funds. Determinations made by the Investment Manager regarding the capacity of the Third Point Funds with respect to certain investments will be based on a subjective analysis.

*Joint Investments with Third Parties.* The Third Point Funds may acquire interests in certain issuers (including non-control or minority investments) in cooperation with third-party partners through jointly owned acquisition vehicles, joint ventures or other structures. In these situations, a Third Point Fund's ability to manage such investments will depend upon the nature and terms of the joint arrangements with such partners and a Third Point Fund's relative ownership stake in the issuer, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the sole discretion of the Investment Manager. Depending on the Investment Manager's perception of the relative risks and rewards of a particular issuer, the Investment Manager may elect to invest in structures that afford relatively little or no operational and/or management control to a Third Point Fund. The Investment Manager may enter into such arrangements on terms that restrict a Third Point Fund's ability to dispose of its investment for potentially significant periods of time. The Third Point Funds may invest under circumstances where they do not control the issuer and where a third party does control, or has veto rights over, the issuer. Such arrangements present risks not present with wholly-owned investments, such as the possibility that a joint-venturer becomes bankrupt, develops business interests or goals that conflict with the Third Point Funds' interests and goals in respect of the issuer, or acts in a way that results in the triggering of a buy/sell or other governance provision at an inopportune time.

*Reliance on Experts*. The Investment Manager expects to engage and retain, on the Third Point Funds' behalf and at the Third Point Funds' expense, strategic advisors, consultants, senior advisors and other similar professionals, including members of "expert

networks" who are not employees or affiliates of the Investment Manager or General Partner, and which may include former senior officials, and other high-profile political figures, including persons known to be close associates of such individuals. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they provide the Investment Manager with industry- or jurisdiction-specific insights and feedback on investment themes, assist in transaction due diligence, and make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and contribute to the origination of new investment opportunities. In certain instances the Investment Manager expects to have formal arrangements with these professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal.

The Investment Manager has broad discretion to determine how to structure compensation and indemnification arrangements for third parties retained on the Third Point Funds' behalf and, when making such a determination, may take into account various factors such as, but not limited to, expertise, availability and quality of service, the value any such third party places on his/her own time, the competitiveness of compensation rates in comparison with other service providers satisfying the Investment Manager's service provider selection criteria and the value of any research and brokerage services and other products and/or services provided by such persons. Such arrangements may include payments such as hourly rates, retainers, "success fees" and a combination thereof in the form of cash, options, warrants, stocks, stock appreciation rights or otherwise and irrespective of whether (i) there is a contractual obligation to pay such fees or (ii) such third parties are engaged by the Third Point Funds and/or their affiliates in a dedicated or exclusive capacity. In certain instances, the Investment Manager expects to have formal arrangements with these third parties (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal. Such compensation arrangements may include retainers and/or success fees. The Third Point Funds will bear the expenses associated with such arrangements.

There can be no assurance that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with the Investment Manager throughout the term of the Third Point Funds. Further, in the event that material non-public information is obtained by such persons, the Third Point Funds may become (or may elect to become) subject to trading restrictions pursuant to the internal trading policies of the Investment Manager or as a result of applicable law or regulations or be prohibited for a period of time from purchasing or selling securities, which prohibition may have an adverse effect on the Third Point Funds. The Third Point Funds and the Investment Manager may also become subject to legal, regulatory, reputational and other unforeseen risks as a result of these professionals' high-profile positions or other action.

**Fund and Third Point Fund Risks**

*Dependence on Daniel S. Loeb and the Investment Manager*. All investment decisions with respect to the Fund and the Third Point Funds are made by the portfolio managers of the Investment Manager, under the general supervision of Daniel S. Loeb; Limited Partners have no right or power to take part in the management of the Fund or the Third Point Funds. As a result, the success of the Fund and the Third Point Funds depends largely upon the abilities of

Mr. Loeb, and no assurance can be given that a suitable replacement could be found for him in the event of his death, disability or withdrawal from the Investment Manager. In the event Mr. Loeb is no longer actively engaged in formulating the investment philosophy of the Investment Manager, whether by death, disability, ceasing to directly or indirectly control the Investment Manager or the General Partner or otherwise, Limited Partners will be entitled to special notice and withdrawal rights as described in this Memorandum.

*Investment Manager and its Member and Principals*. The Investment Manager currently serves as the investment manager to the Third Point Funds and the Affiliated Funds, and will not devote its resources exclusively to Fund business. Furthermore, the Investment Manager may in the future manage additional funds or accounts which may require significant attention. In addition, Mr. Loeb will continue to have significant involvement with non-Fund businesses and while he devotes a substantial and appropriate amount of his time to Fund business, he has substantial philanthropic and other business interests to which he attends from time to time. See "*Potential Conflicts of Interest*."

*Fees.* The Fund will incur substantial fees and expenses whether or not any profits are realized.

*Limited Transferability of Interests*. The Interests are subject to significant restrictions on transfers, including the requirement that the General Partner consent to any such transfer. Limited Partners should have no expectation that the General Partner will consent to any sale, assignment, transfer, conveyance or disposition of Interests. Prospective Limited Partners are required to represent that they will be acquiring their Interests for investment purposes only and not with a view to resale or distribution. The Interests have not been registered under the Securities Act, or any other securities laws, and therefore are subject to restrictions on transfer under the Securities Act and under other jurisdictions' securities laws. It is not anticipated that a market for the Interests will ever develop.

*Limited Liquidity.* Limited Partners will be subject to limited liquidity and Interests are generally not transferable.

Limited Partners will only be entitled to withdrawals at limited times (as described in "*Summary of Principal Terms – Withdrawals*") and if aggregate withdrawal requests with respect to any Withdrawal Date exceed 20% of the Fund's net asset value, the General Partner may choose to invoke a gate, which would permit Limited Partners to withdraw Interests only up to 20% of the Fund's net asset value, on a *pro rata* basis based on the size of withdrawal requests received (the "Fund-Level Gate"). If the General Partner invokes the Fund-Level Gate only that portion of the withdrawal request that is not subject to the Fund-Level Gate will be withdrawn from the Fund at such time, while the portion of the withdrawal request deemed subject to the Fund-Level Gate will remain subject to the investment program of the Fund and the Fund's risks.

In addition to the Fund-Level Gate described above, the portion of each Limited Partner's Capital Account that is invested in the Third Point Funds will indirectly be subject to a "gate" at the level of the Third Point Funds, which may limit redemptions/withdrawals to 20% of the net asset value of each Third Point Fund, in the discretion of the general partner or board, as

applicable, of the relevant Third Point Fund. If the "gate" is invoked at the level of a Third Point Fund only that portion of the withdrawal/redemption request that is not subject to the "gate" will be withdrawn/redeemed from the Third Point Fund at such time, while the remainder of the withdrawal request will remain subject to the investment program of the relevant Third Point Fund and such Third Point Fund's risks.

*In-Kind Distributions.* Distributions of proceeds upon a Limited Partner's withdrawal may be limited, in the General Partner's discretion. There can be no assurance that the Fund will have sufficient cash to satisfy withdrawal requests, or that it or the Third Point Funds will be able to liquidate investments at the time of such withdrawal requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the General Partner, on the advice of the Investment Manager, a Limited Partner may receive direct or indirect in-kind distributions from the Fund's portfolio, including, but not limited to, a distribution of interests in a liquidating entity or similar special purpose vehicle which may be subject to management fees and incentive fees and allocations comparable to those applicable (whether directly or indirectly) to the Interests being withdrawn. For the purpose of determining the value to be ascribed to any assets or liabilities of the Fund used for an in-kind distribution, the value ascribed to such assets or liabilities will be the value of such assets or liabilities on the relevant Withdrawal Date. The risk of a decline in the value of such assets or liabilities in the period from the relevant Withdrawal Date to the date upon which such assets or liabilities are distributed to the withdrawing Limited Partner, and the risk of any loss or delay in liquidating such securities, will be borne by the withdrawing Limited Partner, with the result that such Limited Partner may receive less (or no) cash than it would have received if it had been paid in cash. The withdrawing Limited Partner will incur transaction costs in connection with the sale of any proceeds distributed in-kind, and, in the case of interests in trading vehicles or special purpose vehicles, also a proportionate portion of the operating and other expenses borne by such vehicle. Investments so distributed may not be readily marketable or saleable and may have to be held by such Limited Partner for an indefinite period of time. Furthermore, to the extent that a withdrawing Limited Partner receives interests in one or more trading vehicles or special purpose vehicles, such withdrawing Limited Partner will generally have no control over when and at what price the securities in which such vehicles have an interest are sold. In addition, payment to such withdrawing Limited Partner of that portion of its withdrawal proceeds attributable to securities held by one or more trading vehicles or special purpose vehicles will be delayed until such time as such vehicles elect to liquidate such securities.

To the extent that trading vehicles or special purpose vehicles are established for the purpose of distributing interests to withdrawing Limited Partners, such vehicles will generally be managed towards liquidation. The portfolio strategies employed by the Investment Manager for the Fund could conflict with the transactions and strategies employed by the Investment Manager in managing the liquidation of the assets of such vehicles and may affect the prices of the securities that such vehicles hold or to which they are exposed.

*Electronic Delivery of Certain Documents.* Pursuant to the subscription agreement entered into by each Limited Partner, such Limited Partner (i) will, unless the General Partner agrees otherwise with such Limited Partner, consent to the electronic delivery of this Memorandum, such subscription agreement, investor communications, investor reports, potential

amendments/waivers, privacy notices, Schedule K-1s, and any other documents or information to be provided to such Limited Partner that relate to the Fund, the General Partner, the Investment Manager and/or any of their affiliates or such Limited Partner's investment in the Fund (collectively, the "Investment Documents") and (ii) will agree that such electronic delivery will be in place of delivery of such documents in paper form. The term of this consent will be indefinite, but a Limited Partner may terminate this consent at any time by notifying the General Partner in writing. This consent to electronic delivery will extend to delivery of the Investment Documents now and in the future, whether such delivery is (now or in the future) required by law, or is not required but is made by the General Partner to provide such Limited Partner with additional information. Such electronic delivery may include furnishing the above mentioned materials to an electronic data room or internet website to which Limited Partners are granted access; provided, that the General Partner will notify each Limited Partner when such Limited Partner should visit the website to view or print the Investment Documents, (a) through electronic mail to the e-mail address provided by such Limited Partner in its subscription agreement, or (b) via facsimile. Moreover, the General Partner cannot provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an internet-based system.

*No Protection Under the 1940 Act*. In reliance upon a statutory exemption for privately offered investment companies, the Fund has not registered as an investment company under the 1940 Act, or the laws of any country or jurisdiction. Therefore the protections afforded by the 1940 Act (among other things, the 1940 Act generally requires investment companies to have a majority of disinterested directors, requires securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company, and regulates the relationship between the investment adviser and the investment company) will not be applicable to the Fund.

*Withdrawals by the Fund.* The Fund may withdraw (or redeem) all or a portion of its investment in one or more TP Funds in order to (a) satisfy the payment of proceeds associated with the withdrawal (voluntary or otherwise) by one or more of the Limited Partners; or (b) reduce its exposure to investments in the TP Funds and increase the Fund's exposure to Fixed Income Investments. Any such withdrawal (or redemption) by the Fund from one or more TP Funds, may result in a recalculation of the Net Invested Amounts, which, in turn, may result in a determination that the Fund's Net Invested Amount has decreased to an amount that is less than $200 million. Such determination may result in the Fund, and indirectly other non-withdrawing Limited Partners, to no longer benefit from the 0.0625% per quarter (0.25% per annum) reduction in (i) the Management Fee and (ii) the applicable management fee with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests invested in the TP Funds. See "*Potential Conflicts of Interests – Withdrawals*."

*Effects of Substantial Withdrawals*. Substantial withdrawals by Limited Partners, and substantial withdrawals and redemptions by investors in the Third Point Funds, in either case, within a limited period could require the Fund and the Third Point Funds to liquidate securities positions more rapidly than would otherwise be desirable, which could adversely affect

the value of the Fund, the Third Point Funds and both the Interests being withdrawn and the remaining Interests. In addition, regardless of the period of time in which withdrawals occur, the resulting reduction in the Fund's and the Third Point Funds' net asset values, and thus in their equity bases, could make it more difficult for the Fund and the Third Point Funds to generate trading profits or recoup losses, and could even cause the Fund and the Third Point Funds to liquidate positions prematurely. Some Third Point Fund investments may be subject to required assets under management provisions, such as standard swap agreements, that may be triggered by substantial withdrawals, which triggers could result in further adverse effects for the Fund. Withdrawals from the Fund are subject to the imposition, at the General Partner's discretion, of the Fund-Level Gate, which if imposed may diminish the effects of substantial withdrawals (but at the same time, reduce Limited Partners already limited withdrawal rights). Under certain circumstances, the General Partner may suspend or limit withdrawals. See "*Summary of Principal Terms – Suspension of Withdrawals and Valuations*."

*Increases In Assets Under Management*. While the Investment Manager believes that greater assets under management by the Fund and/or the Investment Manager is generally an advantage to the Fund, there is also the risk that the greater the amount of assets the Investment Manager manages, the more difficult it may be for it to invest profitably for the Fund because of the difficulty of trading larger positions without adversely affecting prices and managing risks associated with larger positions. In addition, there can be no assurance that there will be appropriate investment opportunities to accommodate future increase in assets under management, which may force the Investment Manager to modify its investment decisions for the Fund because it cannot deploy all the assets in a manner it desires. Furthermore, due to the overlap of strategies and investments across many of the Third Point Funds and the Affiliated Funds, the Fund may be adversely affected in the event of rapid or large liquidations of investment positions held by the Third Point Funds due to a lack of liquidity resulting from large position sizes in the same investments held by the other accounts.

*Competition; Availability of Investments*. The markets in which the Fund and the Third Point Funds may invest are competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce the Fund's and the Third Point Funds' opportunity for profit by generally increasing price pressure on desired assets, reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

*Execution Risks and Investment Manager Error.* The execution of the trading and investment strategies employed by the Investment Manager for the Fund and the Third Point Funds can often require time sensitive trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In each case, the Investment Manager seeks best execution and has trained execution and operational staff devoted to supervising the execution, settlement and clearing of such trades. However, in light of the time pressures and complexity

involved, some slippage, errors and miscommunications with brokers and counterparties are inevitable and may result in losses to the Fund and the Third Point Funds. Such losses may be caused by the Fund's or the Third Point Funds' brokers and counterparties or by the Investment Manager or by a combination of the broker or counterparty and the Investment Manager. The Investment Manager may, but is not required to, attempt to recover losses from brokers or counterparties. The Investment Manager is not liable to the Fund or the Third Point Funds for losses caused by brokers or counterparties, provided, that such broker or counterparty was selected, engaged or retained by the Investment Manager with reasonable care and provided further that no action or failure to act by the Investment Manager constitutes fraud, bad faith, willful misconduct or gross negligence. The Investment Manager will also not be liable to the Fund or the Third Point Funds for a mistake of judgment or action or inaction taken by the Investment Manager honestly and in good faith and which the Investment Manager reasonably believed to be in the best interests of the Fund or the Third Point Funds, provided, that such action or failure to act by the Investment Manager does not constitute fraud, bad faith, willful misconduct or gross negligence. Generally, in determining whether the Investment Manager was grossly negligent, the General Partner will evaluate and consider, among other things, the adequacy of the supervisory procedures in place to prevent such errors from recurring with any frequency (see "*Potential Conflicts of Interest – Expenses*" and "*Portfolio Transactions and Brokerage – Trade Error Policy*").

*Suspensions of Trading and Failure of Exchanges*. Each securities exchange typically has the right to suspend or limit trading in all securities which it lists. Such a suspension involving securities owned by the Fund or the Third Point Funds would render it impossible for the Fund or the Third Point Funds to liquidate positions and, accordingly, could expose the Fund and the Third Point Funds to losses. The Fund and the Third Point Funds also are subject to the risk of the failure of any exchanges on which the positions of the Fund and the Third Point Funds trade or of such exchanges' clearinghouses.

*Systems Risk and Cybersecurity*. Recent events have illustrated the ongoing cybersecurity risks to which businesses are subject. The Fund and the Third Point Funds depend on the Investment Manager to develop and implement appropriate systems for their activities. The Fund and the Third Point Funds rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, trading, clearing and settling transactions, evaluating certain securities, monitoring its portfolio and net capital and generating risk management and other reports that are critical to oversight of the Fund's and the Third Point Funds' activities. Certain of the Fund's, the Third Point Funds' and the Investment Manager's operations interfaces are dependent upon systems operated by third parties, including prime broker(s), the Administrator, market counterparties and their sub-custodians and other service providers. The Fund's and the Third Point Funds' service providers may also depend on information technology systems and, notwithstanding the diligence that the Fund and/or the Third Point Funds may perform on its service providers, the Fund and/or the Third Point Funds may not be in a position to verify the risks or reliability of such information technology systems.

The Fund, the Third Point Funds, the Investment Manager and their service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a

generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the Fund, the Third Point Funds or individual Limited Partners by interfering with the processing of Limited Partner transactions, affecting the Fund's or the Third Point Funds ability to calculate net asset value or impeding or sabotaging trading.

The Fund and the Third Point Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Fund, the Third Point Funds and the Investment Manager (which in turn may be indemnified by the Fund and the Third Point Funds) to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from the Fund. Limited Partners could also be exposed to losses resulting from unauthorized use of their personal information. While the Investment Manager has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which the Third Point Funds invest, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Third Point Funds' investments in such securities to lose value.

*Technology Industry Risks.* The Fund and Third Point Funds' performance may be disproportionately influenced by factors that are specific to the technology industry, including, among others, rapid scientific and technological progress, intellectual property dependent products that are subject to frequent lawsuits and rapid changes in consumer preferences and technological trends. Given such factors, valuations of companies in the technology industry are volatile. Furthermore, such volatility may lead to uncertainty in pricing potential investment opportunities.

*Benchmark Rates, in Particular LIBOR.* The London Interbank Offered Rate ("LIBOR") is an estimate of the rate at which a sub-set of banks (known as the panel banks) can borrow money on an uncollateralized basis from other banks. The UK Financial Conduct Authority, which regulates LIBOR, has announced that it would not persuade or compel banks to contribute to LIBOR after 2021. Additionally, ICE Benchmark Administration Limited (the "IBA"), the administrator of LIBOR and other interbank offered rates ("IBORs"), has announced

its intention to cease publication after December 31, 2021 of (i) all tenors of non-USD LIBOR settings and (ii) one-week and two-month tenors of USD LIBOR settings. The IBA has also announced its intention to cease publication after June 30, 2023 of all remaining USD LIBOR settings. It is possible that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and could cease providing submissions prior to December 31, 2021. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other IBORs. Regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. For example, the Alternative Reference Rate Committee, a private-sector working group convened by the Federal Reserve Board and the Federal Reserve Bank of New York to identify alternative reference rates for LIBOR (the "ARRC"), and the International Swaps and Derivatives Association, Inc., a global trade association representing leading participants in the derivatives industry ("ISDA"), have taken significant steps toward the development of consensus-based fallbacks and alternatives to LIBOR, which appear constructive for end-users. In particular, the ARRC has published recommended fallback language for new issuances of several LIBOR-linked products. The ARRC fallback recommendations are intended to minimize disruptions in the event LIBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. In addition, ISDA has amended certain of its standard derivatives documentation to implement fallbacks for certain key IBORs and has published an ISDA protocol to facilitate amendments to existing derivatives documentation. The ISDA fallbacks will apply if the relevant IBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. There can be no assurance, however, that the alternative rates and fallbacks will be effective at preventing or mitigating disruption as a result of the transition.

The termination of LIBOR and the other IBORs may present other risks to the Fund and the Third Point Funds. It is not possible at this point to identify those risks exhaustively but, in addition to the risks outlined above, they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the Fund and the Third Point Funds. Moreover, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR may impose costs on, or may not be suitable for, the Fund and the Third Point Funds, resulting in costs incurred to close out positions and enter into replacement trades.

The Fund and the Third Point Funds may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts that determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the Fund and the Third Point Funds may continue to invest in instruments that reference IBORs.

*Incentive-Based Compensation*. The Investment Manager is entitled to receive the Incentive Fee. Additionally, the Investment Manager or the General Partner (or its affiliates), an affiliate of the Investment Manager, is entitled to receive incentive fees or allocations from each of the Third Point Funds equal to 20% of the excess of the net realized and unrealized

capital appreciation allocated to the Fund's capital accounts in each Third Point Fund during each fiscal quarter or fiscal year (depending on the fund) over a "high watermark." Such compensation arrangements may create an incentive for the Investment Manager to make investments on behalf of the Fund and the Third Point Funds that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because such compensation arrangements are calculated on a basis that includes unrealized appreciation of the Fund's and the Third Point Funds' assets, they may be greater than if such compensation were based solely on realized gains. Moreover, because such incentive-based compensation is calculated with respect to the net capital appreciation attributable to Fixed Income Investments and each of the Third Point Funds on a standalone basis, it is possible that an incentive-based compensation will be charged where the Fund has experienced an overall loss.

*Enhanced Scrutiny and Regulations of the Private Investment Fund and Financial Services Industries*. In response to the global financial crisis of 2008, there have been unprecedented legislative and regulatory actions taken by numerous governments and their agencies, including the enactment of the Dodd-Frank Act. The Dodd-Frank Act is comprehensive in scope (including the so-called "Volcker Rule," providing significant changes to the structure of federal financial regulation and new substantive requirements that apply to a broad range of market participants, including private investment funds). Significantly, the Dodd-Frank Act also mandates significant changes to the authority of the Federal Reserve, the CFTC and the SEC, as well as enhanced oversight and regulation of investment advisors, banks and non-bank financial institutions. This enhanced oversight and regulation, and the need for significant additional rule-making by various governmental bodies, is creating uncertainty in the financial markets and, in particular, in the private funds industry. Among other things, such uncertainty may result in enhanced compliance risks. While it will likely be quite some time until the full extent of the Dodd-Frank Act reforms are implemented and the direct and indirect impact of this legislation is fully understood, industry observers generally agree that most advisers to private investment funds and other private pools of capital have been affected.

Many of the regulators to which the Fund, the Third Point Funds, the Investment Manager or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanctions imposed against the Fund, the Third Point Funds, the Investment Manager or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Fund, the Third Point Funds, the Investment Manager or their respective affiliates' reputations which may adversely affect the Third Point Funds' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment. As the U.S. and the global economy continue to struggle to improve, there is a material risk that the U.S. and/or regulatory agencies in the U.S. and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations. Any such events or changes could occur during the Fund's term and may adversely affect the Fund and the Third

Point Funds and their ability to operate and/or pursue their investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

Additional legislative and regulatory action is likely, as growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private funds industry and its practices. Changes to various laws and regulations (including tax laws) could occur during the term of the Fund and may adversely affect the Fund and the Third Point Funds and their ability to operate and/or pursue their trading strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Fund and the Third Point Funds of any such regulatory or legal changes could be substantial and adverse. For example, rule 4.27 under the CEA and the Advisers Act rule 204(b)-1 implement Sections 404 and 406 of the Dodd-Frank Act requiring advisors to hedge funds and other private funds to report information for use by the Financial Stability Oversight Council in monitoring risk to the U.S. financial system. Among other things, certain large private fund advisors are required to file a Form PF on a quarterly basis reporting on matters such as exposures by asset class, geographical concentration, turnover and, in certain cases, leverage, risk profile and liquidity. In addition, non-U.S. jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds.

Furthermore, the private funds industry has been subject to criticism by some politicians, regulators and market commentators as a result of alternative asset managers becoming more influential participants in the U.S. and global financial markets and economy, generally. As of the date of this Memorandum, various U.S. federal, state and local agencies have been examining the role of placement agents, finders and other similar private investment fund service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Moreover, as a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets. There has been an active debate both nationally and internationally over the appropriate extent of regulation and oversight of private investment funds and their managers. Any changes in the regulatory framework applicable to the Fund may impose additional expenses, require the attention of senior management or result in limitations in the manner in which the Fund's business is conducted.

It is impossible to predict what, if any, changes in regulation applicable to the Fund, the Third Point Funds, the Investment Manager, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The effect of any future regulatory change on the Fund or Third Point Funds could be substantial and adverse.

Investors should understand that the Investment Manager's business is dynamic and is expected to change over time. The Investment Manager may maintain multiple business lines in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. Therefore, the Third Point Funds may be subject to new or additional regulatory constraints in the future. This Memorandum cannot address or anticipate every possible current or future regulation that may affect the Fund, the Investment Manager, the Third Point Funds or their respective businesses. Such regulations may have a

significant impact on the Limited Partners or the operations of the Fund or the Third Point Funds, including, without limitation, restricting the types of investments the Third Point Funds may make, preventing the Third Point Funds from exercising their voting rights with regard to certain securities, requiring the Fund to disclose the identity of its investors, its positions or otherwise. The Investment Manager may, in its sole discretion, cause the Fund to be subject to such regulations if it believes that an investment or business activity is in the Fund's interests, even if such regulations may have a detrimental effect on one or more Limited Partners. Prospective Limited Partners are encouraged to consult their own advisors regarding an investment in the Fund.

*CFIUS and National Security/Investment Clearance Consideration.* Certain investments by the Third Point Funds that involve the acquisition of an investment in a business connected with or related to national security or critical infrastructure may be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the Third Point Funds. In the event that CFIUS or another regulator reviews one or more of a Third Point Fund's proposed or existing investments, there can be no assurances that such Third Point Fund will be able to maintain, or proceed with, such investments on terms acceptable to such Third Point Fund. CFIUS or another regulator may seek to impose limitations on or prohibit one or more of the issuers in which the Third Point Funds invests.

*Rule 506(d)*. Effective September 23, 2013, the SEC adopted amendments to Rules 501 and 506 of Regulation D promulgated under the Securities Act barring issuers deemed to be "bad actors" from relying on Rule 506 of Regulation D ("Rule 506") in connection with private placements. Specifically, an issuer will be precluded from conducting offerings that rely on the exemption from registration under the Securities Act provided by Rule 506 if a "covered person" of the issuer has been the subject of any disqualifying event as described in Rule 506(d)(1) of the Securities Act. "Covered persons" include, among others, the issuer, affiliated issuers, any Investment Manager or solicitor of the issuer, any director, executive officer or other officer participating in the offering of the issuer, any general partner or managing member of the foregoing entities, any promoter of the issuer and any beneficial owner of 20% or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power. If any covered persons of the Fund, including the Fund's affiliated issuers, are subject to a disqualifying event, the Fund could lose the ability to raise capital in a Rule 506 offering for a significant period of time.

*European Union Regulation of Alternative Investment Managers*. The Directive 2011/61/EU on Alternative Investment Fund Managers (collectively, "AIFMD") became law in the European Union (the "EU") in 2011. The AIFMD introduces a regulatory and supervisory framework for registration and supervision of the managers of alternative investment funds. The AIFMD applies to the managers of alternative investment funds established in the EU, as well as to managers of alternative investment funds established outside of the EU that offer fund interests in the EU or manage fund interests in the EU. Although the Fund is established outside of the EU and does not presently intend to offer Interests in the EU, the Fund is not restricted from doing so and may do so in the future. Certain of the Third Point Funds have registered in

certain EU jurisdictions and are subject to certain provisions of the AIFMD. Should the Fund or the other Third Point Funds seek to offer or sell Interests to investors based in the EU or inadvertently be deemed by an EU regulator to have marketed Interests in the EU, the Fund or the Third Point Funds, as applicable, would become subject to certain provisions of the AIFMD regarding transparency and disclosure, including being required to produce reports to investors and regulators. The Fund or the other Third Point Funds, as applicable, would also become subject to notification obligations in the event it acquires 10% or more of non-listed companies domiciled in the EU. The Fund's or the Third Point Funds' compliance costs may also increase. While the full impact of the implementation of the foregoing cannot currently be assessed, it is possible that the Fund or the Third Point Funds will become subject to further regulation at an additional cost to investors.

*Uncertain Geopolitical Events*. International and/or local geopolitical events may influence the issuers of, and markets for, financial instruments traded by the Third Point Funds. Geopolitical events, including, without limitation, national referenda, political elections, international violent and non-violent conflicts and political movements, may affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that may impact the Third Point Funds and/or their ability to operate and/or pursue its investment strategy.

*Public Health Risk.* The Fund and the Third Point Funds could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises (or by the fear or imminent threat thereof), including the current novel coronavirus ("COVID-19") pandemic. Disease outbreaks have occurred in Asia in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and the current COVID-19 pandemic) and any prolonged occurrence of infectious disease or other adverse public health developments in any country in which the Fund and the Third Point Funds targets investments may have an adverse effect on the Fund and the Third Point Funds' investments, including by (i) disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of the Fund and the Third Point Funds, the Investment Manager and their respective service providers and (ii) severely disrupting global, national and/or regional economies and financial markets and triggering a period of global economic slowdown or volatility.

Public health crises and efforts to address them may result in (or, in the case of the COVID-19 pandemic, have already resulted in) quarantines, restrictions on travel, bans on public events, bans on public gatherings, closures of a variety of venues (*e.g.*, restaurants, concert halls, museums, theaters, schools and stadiums, non-essential stores, malls and other entertainment facilities) and/or shelter-in-place orders of varying lengths and severity. Such actions disrupt global supply chains and create unprecedented shifts in demand, from both a technical and psychological perspective.

The outbreak of COVID-19 in many countries, including the United States, continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak is rapidly evolving and responses of the governments of the world, and the United States in particular, have been substantial and are ongoing. The United States, as well as other nations, including, without limitation, China, Japan and the United Kingdom, have taken measures to limit the economic

impact of COVID-19. Despite these extraordinary measures, global assets, including those assets that the Fund and the Third Point Funds invest in, remain depressed and/or highly volatile. The rapid development of this situation precludes any prediction as to the ultimate adverse impact of COVID-19. There are no comparable recent events which provide guidance as to the effect of the spread of COVID-19 on the economy as a whole and the specific sectors that the Fund and the Third Point Funds may invest in. COVID-19 presents material and specific uncertainty and risk with respect to the Fund and the Third Point Funds' performance and financial results. The extent of the impact of COVID-19 on the Fund and the Third Point Funds and their direct or indirect investments will depend largely on future developments, which are highly uncertain and cannot be predicted.

Further, in this environment, there is a heightened likelihood of government intervention or regulation and/or changes in law, including, by way of example, laws and regulations requiring creditors to waive payments from debtors, defer maturities on debt instruments and/or cancel or delay foreclosures on assets, any of which could have a material adverse effect on the Fund and the Third Point Funds and their investments. In addition, any worldwide pandemic or other public health crises may have (and, in the case of the current COVID-19 pandemic, have had) a substantial impact on the operations of tax and other governmental authorities, including the IRS, which could, among other things, impose delays on their response and processing times. Such delays may have an adverse effect on the Fund and the Third Point Funds' operations and structure.

*U.S. Civil Unrest*. The United States is currently experiencing, and in recent years has experienced, increasing political and civil unrest and uncertainty. On September 17, 2020, Christopher Wray, Director of the U.S. Federal Bureau of Investigation, testified before the U.S. House Homeland Security Committee regarding certain threats to the United States, including Domestic Violent Extremists ("DVEs"). Director Wray described DVEs as "individuals who commit violent criminal acts in furtherance of ideological goals stemming from domestic influences, such as racial bias and anti-government sentiment." He testified that DVEs are driven by perceptions of government or law enforcement overreach, sociopolitical conditions, racism, anti-Semitism, Islamophobia, misogyny and reactions to legislative actions and pose a steady and evolving threat of violence and economic harm to the United States. He also noted that DVEs have responded to peaceful movements, including First Amendment-protected activities, through violence and that racially motivated violent extremists make up the largest sub-set of DVEs, with individuals subscribing to a white supremacist-type ideology as the largest portion of such sub-set. The FBI has elevated racially motivated violent extremism to a "national threat priority," which allows the FBI to dedicate significant additional resources towards related law enforcement action.

Political and civil unrest and uncertainty have significantly increased in connection with the recent United States political elections. This period of political and civil unrest and uncertainty is likely to continue and may have a negative effect on the Third Point Funds, their investments and the Investment Manager.

*Brexit*. On June 23, 2016, the United Kingdom voted, via referendum, to exit from the EU, triggering political, economic and legal uncertainty. While such uncertainty most directly affects the United Kingdom and the EU, global markets suffered immediate and

significant disruption. Market disruption can negatively impact funds such as the Fund and the Third Point Funds. Effective January 31, 2020, the United Kingdom officially separated from the EU. Following the withdrawal from the EU, the United Kingdom entered a transition period lasting until December 31, 2020, during which the EU law continued to apply in the United Kingdom. New EU legislation that took effect before the end of the transition period applies to the United Kingdom.

The United Kingdom and the EU have now agreed to a framework for trading arrangements for the period following the transition period. Under the agreed arrangements, United Kingdom goods will continue to have tariff free access to the EU but other barriers will apply. These new arrangements may adversely affect the return of the Fund and the Third Point Funds and their investments. There may be detrimental implications for the value of certain of the Third Point Funds' investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement their investment program. This may be due to, among other things: (i) increased uncertainty and volatility in the United Kingdom and EU financial markets; (ii) fluctuations in the market value of sterling and of United Kingdom and EU assets; (iii) fluctuations in exchange rates between sterling, the Euro and other currencies; (iv) increased illiquidity of investments located or listed within the United Kingdom or the EU; (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or (vi) changes in legal and regulatory regimes to which the Third Point Funds and/or certain of the Third Point Funds' assets are or become subject.

The Third Point Funds may invest in portfolio investments the issuers of which have significant operations and/or assets in the United Kingdom. Such issuers could be adversely impacted by the new legal, tax and regulatory environment, whether by increased costs or impediments to the implementation of their business plan or investment strategy. The Investment Manager may be limited or restricted from managing or marketing the Fund and the Third Point Funds. The vote by the United Kingdom to leave the EU led to concerns that there would be similar referenda in other member states of the EU, resulting in additional departures from the EU, as well as concerns that steps would be taken by countries within the United Kingdom to leave the United Kingdom. While these events have not materialized, independence movements have gained momentum within certain European countries, including most notably Spain. If such independence movements were to be successful, it would have a destabilizing effect on the relevant country and potentially the EU and the Euro as a whole, at least in the short term. The uncertainty resulting from any such developments, or the possibility of such developments, would also be likely to cause significant market disruption in the EU and the United Kingdom (including with respect to currency exchange rates) and more broadly across the global economy, as well as introduce further legal, tax and regulatory uncertainty in the EU and the United Kingdom.

*Environmental Risks.* Environmental laws, regulations and regulatory initiatives could play a significant role in certain industries in which the Third Point Funds may invest and have a substantial impact on investments in these industries. These industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Third Point Funds may

invest in issuers that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Third Point Funds' investments will not cause injury to the environment or to people under all circumstances or that the Third Point Funds' investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on an issuer or project, and there can be no assurance that issuers will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of issuers could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject a Third Point Fund and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Third Point Funds) subject to environmental liability. The Third Point Funds may experience material losses due to these risks.

*Pay-to-Play Laws, Regulations and Policies*. A number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for a period of up to two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Investment Manager, its employees or affiliates or any service providers acting on their behalf, including, without limitation, a placement agent, fails to comply with such pay-to-play laws, regulations or policies such non-compliance could have an adverse effect on the Third Point Funds by, for example, providing the basis for the withdrawal of the affected public pension fund investor.

*Accounting*. Accounting Standards Codification Topic No. 740, "Income Taxes" (in part formerly known as "FIN 48") ("ASC 740"), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of the Fund, including reducing the net asset value of the Fund to reflect reserves for income taxes, such as U.S. and foreign withholding taxes and income taxes payable on income effectively connected with a trade or business, that may be payable by the Fund. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Fund.

*New Issues and Non-Pro Rata Allocations*. Tranche E Interests will participate in profits and losses from "new issues" and participation by tranche F Interests in "new issues" will be limited as described below. Without limiting the foregoing, Limited Partners that are "restricted persons" under Financial Industry Regulatory Authority, Inc. ("FINRA") Rule 5130, as amended, supplemented and interpreted from time to time ("FINRA Rule 5130"), FINRA Rule 5131, as amended, supplemented and interpreted from time to time ("FINRA Rule 5131" and, together with FINRA Rule 5130, the "FINRA Rules"), or who have elected to be treated as such (the "Restricted Partners"), will be limited in their participation in the profits and losses attributable to "new issues" (as defined in the FINRA Rules) to the lesser of (i) such Restricted Partners' collective interest in the Fund, (ii) 10% or (iii) such lesser amount as the General Partner, in its discretion, may determine (or any other permissible amount under any amendment, supplement or interpretation to the FINRA Rules). The criteria for determining whether a person is a restricted person are set out in the FINRA Rules and generally include (i) for purposes of FINRA Rule 5130, FINRA members and other broker-dealers, their affiliates and persons having portfolio responsibility for collective investment vehicles or financial or other institutions, as well as the immediate family members of such persons and (ii) for purposes of FINRA Rule 5131, the executive officers and directors of any single U.S. public company (or of any single non-public company meeting certain size criteria), and persons materially supported by such officers and directors, who collectively own more than 25% of the Fund.

The General Partner (or its affiliates) is authorized to determine, among other things: (i) the manner in which new issues are purchased, held, transferred and sold by the Third Point Funds and any adjustments with respect thereto; (ii) the Limited Partners who are eligible and ineligible to (indirectly) participate in the profits and losses from new issues (including whether an investor that is an entity and that avails itself of the "de minimis" exemption provided in Rule 5130 should be treated as a Restricted Partner); (iii) the method by which profits and losses from new issues are to be allocated among Partners in a manner that is permitted under FINRA Rules (including whether the Fund may avail itself of the "de minimis" exemption or any other exemption); and (iv) the time at which new issues are no longer considered as such under the FINRA Rules. The General Partner reserves the right to vary its policy with respect to the allocation of new issues as it deems appropriate for the Fund as a whole, in light of, among other things, interpretations of, and amendments to, the FINRA Rules and practical considerations, including administrative burdens and principles of fairness and equity.

To determine which tranche of Interests a Limited Partner will receive, each Limited Partner will be obliged to furnish to the Fund such information as may be required by the Fund for that purpose. If a Limited Partner fails or refuses to provide such required information to the Fund, he or she will not be entitled to participate in such new issues and will be issued tranche F Interests. Limited Partners of tranche F Interests, to the extent permitted, will be limited in their participation in the profits and losses attributable to new issues a manner that is permitted under the FINRA Rules (including whether the Fund will avail itself of the "de minimis" exemption or any other exemption) as the General Partner, in its sole discretion, may determine (or any other permissible amount under any amendment, supplement or interpretation to the FINRA Rules).

In the event that the Fund determines, in its sole discretion, that due to tax, regulatory (including the FINRA Rules) or any other reasons as to which the Fund and any Limited Partner agree (including in order to comply with certain investment restrictions relating to socially responsible investing considerations of a Limited Partner), one or more of a Limited Partner's classes, sub-classes, series, tranches, sub-tranches or lots of Interests should not participate in (or should be limited in their participation in) the net capital appreciation or depreciation, if any, attributable to any investment, type of investment or any other transaction (such Interests, the "Limited Participation Interests"), the Fund may allocate such net capital appreciation or depreciation only to Limited Partners' Interests to which such considerations or reasons do not apply (such Interests, the "Non-Limited Participation Interests") (or may allocate to the Limited Participation Interests, the portion of such net capital appreciation or depreciation allowed or agreed to be allocated to them). Consequently, the Non-Limited Participation Interests will be exposed to a greater extent to certain investments, types of investments or other transactions than they would otherwise be exposed to. If such investments, types of investments or other transactions generate net capital depreciation, the Non-Limited Participation Interests will be allocated a greater portion of such net capital depreciation than if such net capital depreciation were also allocated to Limited Participation Interests.

*Capital Accounts Are Not Separate Legal Entities*. As among the Limited Partners, the appreciation and depreciation attributable to a particular individual capital account ("Capital Account") will be allocated only to such Capital Account. However, a creditor of the Fund will generally not be bound to satisfy its claims from assets attributable to a particular Capital Account. Rather, such creditor generally may seek to satisfy its claims from the assets of the Fund as a whole.

*Access to Information.* In response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the General Partner may provide information to certain Limited Partners and prospective Limited Partners that is not distributed to other Limited Partners and other prospective Limited Partners. Furthermore, Limited Partners who are also investors in one or more Affiliated Funds may be provided with additional information with respect to certain investments that are held by both the Fund and/or the Third Point Funds and such Affiliated Funds. Such information may affect a prospective Limited Partner's decision to invest in the Fund. The Investment Manager does not provide Limited Partners or prospective Limited Partners with descriptions of the due diligence inquiries it receives from other Limited Partners or prospective Limited Partners nor does it notify Limited Partners of the responses it provides to specific inquiries made by other Limited Partners or prospective Limited Partners. As a result, inquiring Limited Partners or prospective Limited Partners may obtain information other than the information that is provided (i) to all Limited Partners in the ordinary course of business, (ii) to certain Limited Partners pursuant to other agreements and/or (iii) to Limited Partners or prospective Limited Partners who conduct due diligence but do not make the same inquiries or that make the same inquiries at a different time, in each case, which information may or may not be material to a Limited Partner's investment in the Fund. Each Limited Partner and prospective Limited Partner is responsible for asking such questions as it believes are necessary in order to make its own investment decisions.

*Disclosure of Information Regarding Limited Partners*. The Fund, the Investment Manager, the General Partner and/or their service providers or agents may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about the Fund and the Limited Partners, including, but not limited to, investments held by the Fund and the names and level of beneficial ownership of Limited Partners to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which the Fund directly or indirectly invests, or (ii) any counterparty of, or service provider to, the Investment Manager, the General Partner or the Fund. By virtue of entering into the subscription agreement and becoming a Limited Partner, each Limited Partner consents to any such disclosure relating to such Limited Partner. The Fund, the Investment Manager and the General Partner will use commercially reasonable efforts to maintain the confidentiality of all Fund and Limited Partner information.

In addition, Limited Partners may include persons and entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments and its Limited Partners. There can be no assurance that such information will not be disclosed either publicly to regulators or otherwise. To the extent that the Investment Manager determines that, as a result of such public records or similar laws, a Limited Partner or any of its affiliates or agents may be required to disclose information relating to the Fund, its affiliates and/or any investment (other than information the General Partner has previously consented in writing that the Limited Partner may disclose), the Investment Manager may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Limited Partner (other than certain basic capital account information).

*Affiliated Funds; Certain Trading and Investment Arrangements*. The Investment Manager (and affiliates of the Investment Manager) may determine to organize and/or manage other funds or accounts (including separately managed accounts) other than the funds and accounts it currently manages, that share substantially similar investment strategies and objectives with the Third Point Funds from time to time. Any future other funds or accounts may offer investors benefits that Limited Partners will not receive in relation to their investments such as increased liquidity, heightened transparency (including with respect to portfolio composition information), the right to impose investment restrictions or guidelines, heightened reporting and reduced managed fees and performance allocations or fees. For example, a certain Affiliated Fund contains terms that are materially different than the terms of the Fund and the Third Point Funds, including the ability of investors in such Affiliated Fund to make significant withdrawals with relatively short notice and without being subject to a "gate" or a mechanism for the Investment Manager to suspend withdrawals. In such a situation, it is possible that significant withdrawals by investors in such Affiliated Fund would have an adverse effect on the value of the Fund's and the Third Point Funds' investments.

The Investment Manager is not required to notify Limited Partners of the terms applicable to the Third Point Funds, the Affiliated Funds and any future other funds or accounts, and such increased liquidity and/or heightened transparency may have an adverse effect on the Fund and the Third Point Funds.

The Third Point Funds participate in nominee and other arrangements with the Affiliated Funds through which bank debt, trade claims, private investments and investments held for tax purposes (and a limited number of other difficult to transfer securities) are held, while the economic benefits and risks of those investments are shared by the Third Point Funds and one or more Affiliated Funds. The Third Point Funds and one or more Affiliated Funds may also engage in swap transactions, upon the approval of an independent party engaged to approve such transactions on behalf of the Third Point Funds. Furthermore, the Third Point Funds may gain exposure to certain investments through trading and investment vehicles including alongside Affiliated Funds. Such trading and investment vehicles may hold multiple investments; however, it is possible that the Third Point Funds would not hold an economic interest in every investment held by such special purpose vehicle or that it would hold varying levels of interest in such investments relative to other participants in the vehicle.

The nominee or other arrangements described above, swaps or manner of gaining exposure may give rise to certain risks, such as the risk of cross liabilities between the Third Point Funds, on the one hand, and one or more Affiliated Funds, on the other hand. In particular, a Third Point Fund's participation in any investments held by an investment or trading vehicle described in the preceding paragraph would likely be governed by an agreement that grants such Third Point Fund an indirect economic interest in such investment. In exchange for such interest, a Third Point Fund would be responsible for paying its *pro rata* portion (based on ownership percentage) of the purchase price of such investment and would be liable for its *pro rata* portion of any liabilities of such investment or trading vehicle attributable to such investment. A creditor with a claim relating to an investment held by any such investment or trading vehicle (including an investment in which a Third Point Fund does not hold a direct or indirect interest) may satisfy such claim against all assets of the investment or trading vehicle, including investments in which a Third Point Fund has an interest. In addition, to the extent the Third Point Funds and Affiliated Funds own debt interests in the vehicle, a creditor having a claim against the investment or trading vehicle may in some circumstances rank senior to the claims of the Third Point Funds and Affiliated Funds and/or seek to have the debt interests of the Third Point Funds and the Affiliated Funds equitably subordinated. See "*Potential Conflicts of Interest – Special Arrangements*." Additionally, certain state-sponsored pension plans, sovereign funds and registered investment companies may be permitted to withdraw from the Affiliated Funds on different notice or without withdrawal charges if, and only if, they are required by law or regulation to do so.

*Investments in Affiliated Funds*. The Fund may invest in existing or newly-formed Affiliated Funds, if the Investment Manager determines that investing in such Affiliated Funds would enable the Fund to access desirable investment opportunities. Such investment activity may subject the Fund to additional risks. For example, in some circumstances, Affiliated Funds that have received significant redemption or withdrawal requests may suspend or limit redemptions or withdrawals, including redemptions or withdrawals by the Fund, potentially obligating the Fund to limit or suspend withdrawals from the Fund. Furthermore, Affiliated Funds may invest on the basis of certain short-term market considerations. As a result, the turnover rate with such Affiliated Funds may be significant, potentially involving substantial brokerage commissions, fees and other transactions costs. In addition, the Fund will bear its *pro rata* share of the expenses of such Affiliated Funds, all of which could adversely affect the

Fund's returns. The Fund will not pay any additional fees or be subject to any incentive allocation relating to any investments made by it in any Affiliated Fund.

*Side Letters; Different Terms*. The Fund has entered into, and may in the future enter into, agreements ("Side Letters") with certain investors formalizing requests for, among other things, incremental information (including transparency (on a delayed basis) into the Fund's portfolio and/or notifications and reporting relating to certain specific events), confidentiality terms, additional representations and warranties from the Fund and/or Investment Manager and specific transfer rights, limited mandatory withdrawal rights and general "most favored nation" rights. See *"Investing in the Fund – Side Letters; Disclosure of Fund Information*."

The Fund may enter into Side Letters without providing prior notice to, or receiving consent from, other Limited Partners. As described above, under such Side Letters, certain Limited Partners may receive notification with respect to the occurrence of certain events and/or circumstances. To the extent deemed material by the Fund, all Limited Partners will be notified of such events and/or circumstances.

Furthermore, the Fund is authorized, without providing prior notice to, or receiving consent from, existing Limited Partners, to offer Interests which may differ in terms of, among other things, denomination of currency, the fees charged, minimum subscription amounts, withdrawals rights and other rights. The terms of such Interests will be determined by the General Partner.

It is also expected that the Investment Manager will from time to time confirm factual matters to incoming or existing Limited Partners, make statements of intent or expectation to such Limited Partners or acknowledge statements by such Limited Partners that relate to the Fund and/or the Investment Manager's activities pertaining thereto in one or more respects, and side letters or similar arrangements may include undertakings to make certain confirmations. Any such statements, confirmations, acknowledgments, agreements or undertakings are not rights or benefits that are subject to the "most favored nations" process or election by the Limited Partners, and Limited Partners generally will as a result not typically receive notice thereof or copies of the documentation (if any) in which they are contained. The matters of interest and importance to Limited Partners as to which they request disclosures can influence, where considered appropriate, the decisions made by the Investment Manager in the management of the Fund.

The Third Points Funds have also entered into, and may in the future enter into, Side Letters with investors in the Third Point Funds in a similar manner as described above.

*Valuation of Securities*. The General Partner is responsible for the valuation of the assets of the Fund, and the General Partner and its affiliates are also responsible for the valuation of the securities and instruments held by the Third Point Funds. The General Partner has delegated that responsibility to the Investment Manager. The Investment Manager is responsible for the initial valuation of all positions, and coordinates with the Administrator in determining net asset value of the Fund. The Investment Manager values the securities and other instruments comprising the assets and liabilities of the Fund and the Third Point Funds at least

monthly pursuant to a written valuation policy, which has been approved by the General Partner. See "*Summary of Principal Terms – Valuation.*" The policy is subject to revision from time to time. A summary of the Investment Manager's then-current policy is available to any Limited Partner or potential investor upon request. Valuations assigned to securities and other instruments are not necessarily equivalent to the value that can be realized by the Fund and the Third Point Funds on the sale of those securities and other instruments. In addition, there is a risk that the valuations of a security made pursuant to GAAP may differ from the price at which the security may actually be sold. Moreover, while most securities held by the Third Point Funds will be valued as of the close of business on the relevant valuation date, the Third Point Funds may invest in certain instruments (including Private Investments, Cryptocurrency, and similar assets) for which there is no closing of business hours. Any such assets will be valued at such time as the Investment Manager determines appropriate in accordance with the Investment Manager's then-current valuation policy.

As the Third Point Funds are permitted to trade in thinly-traded, non-publicly traded and other illiquid securities, a certain portion (which may be material) may be ascribed values that are based on a subjective analysis. There can be no guarantee that the values ascribed to such securities (or otherwise) will reflect the price realized by the Third Point Funds. Since the Third Point Funds do not have a "side pocket" mechanism, subscriptions, withdrawals and the determination of the incentive allocation at the Third Point Funds level will all be based on such valuations.

*Uncertain Exit Strategies*. Due to the illiquid nature of certain of the positions which the Third Point Funds are expected to acquire, as well as the uncertainties of the reorganization and active management process, the Investment Manager is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

*Cross-Class Liability*. The Fund may, at any time, create and/or issue one or more classes, sub-classes, series, tranches, sub-tranches or lots or reclassify existing classes, sub-classes, series, tranches, sub-tranches or lots, in each case of creation, issuance and/or reclassification, without obtaining consent from, or giving notice to, any Limited Partner. The Fund is a single legal entity and creditors of the Fund may enforce claims against all assets of the Fund. All of the assets of the Fund are available to meet all of the liabilities of every class, sub-class, series, tranche, sub-tranche or lot, regardless of the separate class, sub-class, series, tranche, sub-tranche or lot to which such assets or liabilities are attributable (if any). In practice, cross-class liability usually would only arise between any two classes where one of such classes becomes insolvent or exhausts its assets and is unable to meet all of its liabilities.

*Location and Infrastructure*. Most of the key personnel of the Investment Manager are located in one building in midtown Manhattan. Loss of the building and/or key personnel, whether through fire, terrorist action, earthquake or some other catastrophic event, could adversely affect our operations and the investment returns of the Fund. A serious impairment to the infrastructure of the building such as extended loss of power or a prolonged restriction of physical access to the building by governmental authorities also could adversely

affect the Investment Manager's operations and investment returns of the Fund. The Investment Manager has contracted for offsite data back-up and recovery and has a disaster recovery plan for offsite operation, but the risk of disruption of operations remains. Similar risks may apply to the brokers, dealers and other custodians of the Fund's and the Third Point Funds' assets.

*Climate Change.* Issuers may be located in areas which are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Fund's and the Third Point Funds' business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (*e.g.*, floods or hurricanes); sea level rise; fires; and extreme and changing temperatures. As a result of these impacts from climate-related events, the Fund and Third Point Funds may be vulnerable to the following: risks of property damage to the issuer; indirect financial and operational impacts from disruptions to the operations of the issuer from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the issuer; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Fund's and Third Point Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (*e.g.*, warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

*Terrorist Action*. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in the global market. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions, market liquidity and the Investment Manager's ability to manage the Fund.

*Force Majeure Risks.* The Fund and the Third Point Funds will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). See "*Fund Risks – Public Health Risk*" above. Natural disasters, epidemics and other acts of God, which are beyond the control of the Investment Manager, may negatively affect the economy, infrastructure and livelihood of people throughout the world.

Some force majeure events may negatively affect the ability of a party (including (i) the Fund, (ii) the Third Point Funds, (iii) the General Partner, (iv) the Investment Manager (and their respective affiliates), (v) the Administrator, (vi) a company in which the Fund or the

Third Point Funds have an investment in or (vii) a counterparty to either the Fund, the Third Point Funds or a company in which the Fund or the Third Point Funds have an investment in) to perform its obligations until such force majeure event is no longer existent. In addition, the cost to the Fund or the Third Point Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund or the Third Point Funds invests specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to the Fund or the Third Point Funds, including if its investment in such company or asset is canceled, unwound or acquired (which could be without what the Fund or the Third Point Funds considers to be adequate compensation). Any of the foregoing may therefore negatively affect the performance of the Fund or the Third Point Funds and their investments.

*Employee and Service Provider Misconduct.* The Investment Manager's reputation is critical to maintaining and developing relationships with existing and prospective investors, as well as with the numerous third parties with which the Investment Manager and the Fund do business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry, and there is a risk that an employee of, or contractor to, the Investment Manager or its affiliates could engage in misconduct that adversely affects the investment strategies implemented by the Investment Manager. It is not always possible to deter such misconduct, and the precautions the Investment Manager takes to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of, or contractor to, the Investment Manager or one of its affiliates, or even unsubstantiated allegations of such misconduct, could result in direct financial harm both to the Investment Manager and the Fund as well as harm the Investment Manager's reputation, which would have a materially adverse effect on the Fund.

Similar risks may arise from employee misconduct of a service provider to the Fund, the Third Point Funds or the Investment Manager.

*No Independent Legal Review*. Investors should note that the Fund is represented by legal counsel. To the extent that investors and this offering would benefit by an independent review, such benefit is not available. Investors are encouraged to seek the advice of independent legal counsel in evaluating the relative risks of the offering.

*Sanctions and Anti-Corruption*. Economic and trade sanction laws and regulations in the United States and other jurisdictions may prohibit or restrict the Third Point Group, Third Point Group professionals, the Investment Manager, the General Partner, the Third Point Funds and the Fund from transacting, directly or indirectly, with certain countries, territories, entities and individuals. In the United States, OFAC and the U.S. Department of State's Office of Economic Sanctions Policy and Implementation ("ESPI") administer and enforce laws, Executive Orders, regulations and related authorities establishing U.S. economic and trade sanctions. Such economic and trade sanctions prohibit or restrict, among other things, certain transactions with, and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals (each a "Sanctioned Party," and collectively, "Sanctioned

Parties"). These Sanctioned Parties include certain foreign countries and individuals and entities listed on OFAC's list of Specially Designated Nationals and Blocked Persons (as such list may be amended from time to time), which includes certain designated narcotics traffickers, certain entities and persons engaged in activities related to the proliferation of weapons of mass destruction and other parties subject to OFAC economic and trade sanctions programs. In addition, certain programs administered by OFAC and ESPI prohibit or restrict dealing with certain individuals or entities, including individuals or entities in certain countries or of certain nationalities, regardless of whether such individuals or entities appear on the lists maintained by OFAC and ESPI.

It is possible that these types of U.S. and other economic and trade sanctions laws and regulations may significantly restrict, prohibit or otherwise negatively affect the Third Point Funds' intended investment activities. In addition, should any investment made on behalf of a Third Point Fund subsequently become subject to applicable sanctions, such Third Point Fund may, without notice to the Limited Partners, cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings, or dispose of that investment (which may occur at an inopportune time).

Third Point Group, Third Point Group professionals, the Investment Manager, the General Partner, the Third Point Funds and the Fund are committed to complying with the U.S. Foreign Corrupt Practices Act and other anti-corruption laws and regulations, as well as U.S. anti-boycott regulations, to which they are subject. As a result, the Third Point Funds and the Fund may be adversely affected because of its unwillingness to participate in certain transactions that may violate such laws or regulations. Such laws and regulations may make it difficult or impossible in certain circumstances for the Third Point Funds to purchase, sell or otherwise act expeditiously or successfully with respect to investments or potential investments, and for portfolio companies to obtain or retain business.

*FCPA Considerations.* The Third Point Funds will rely on issuers to comply with the United States Foreign Corrupt Practices Act of 1977 (as amended from time to time, "FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject and to design and implement appropriate FCPA policies training and safeguards, depending upon the nature of their business. Controlling employees of such companies may be difficult or impossible, even with adequate policies and procedures reasonably designed to ensure compliance with the FCPA. Any determination that the Third Point Funds or an issuer has violated the FCPA or other applicable anticorruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, and a general loss of investor confidence, any one of which could adversely affect the Third Point Funds' business prospects and/or financial position, as well as the Third Point Funds' and their investments' ability to achieve their investment objective and/or conduct their operations.

**Tax Risks**

*Tax Consequences Related to Insurance Dedicated Funds.* While the Fund has been structured to accommodate the unique requirements of Insurance Companies that are "accredited investors" and "qualified purchasers" (each, a "Qualified Investor"), there can be no

guaranty that the structural safeguards in place will be successful to prevent the Policy Owners of any Limited Partners from being taxed as if they held the Interests or to prevent the occurrence of other adverse tax effects to the Limited Partners or their Policy Owners. The following events, among others, could result in additional tax liabilities for a Limited Partner's Policy Owners: (a) subsequent changes or additions to the Code, Treasury Regulations (as hereinafter defined), Service policy or adverse rulings by the Service, (b) breaches of representations and warranties made by a Limited Partner in connection with its participation in the Fund, such as a misrepresentation as to a Limited Partner's eligibility status or (c) failure of the segregated asset accounts of a Limited Partner to be diversified in a manner consistent with Section 817 of the Code and applicable Treasury Regulations. This is not an exclusive list and other occurrences could result in adverse tax treatment of a Limited Partner's or its Policy Owners.

In addition, in certain circumstances, the owner of a life insurance or annuity contract invested in a separate account may be considered the owner, for federal income tax purposes, of the assets of the separate account under an "investor control" theory, which may lead to such life insurance or annuity contract owner being taxed as if it held the interests in such assets directly. In an example of the "investor control" theory being applied, a case treated the grantor of a trust that owned a life insurance policy as the owner of the assets in the separate account for tax purposes because of that grantor's control of the investment of the underlying assets. If any Policy Owner were considered the owner, for federal income tax purposes, of the Interests in the Fund under the "investor control" theory, it may lead to increased Service scrutiny into the Fund. Neither the General Partner, nor Investment Manager nor the Fund will be responsible to any Limited Partner or Policy Owner for any loss, damage, liability or expense resulting from a violation of the "investor control" theory to the extent such violation is attributable to conduct of any Policy Owner.

There is also a risk that the Service may recharacterize direct or indirect compensation paid to the Investment Manager or allocations to the general partners of the Third Point Funds (or of the respective master funds into which they invest, as the case may be) as allocations of Fund profits to the General Partner. If that occurs, the General Partner or the Investment Manager may be viewed as a manager of the Fund that received a return on its Interest that is not computed in the same manner as the return on Interests held by Limited Partners. In that event, the Limited Partners may not be permitted to look through the Fund to its underlying portfolio of investments for purposes of applying the Section 817(h) diversification requirements and the Limited Partners may not satisfy the diversification rules. If the Fund fails to satisfy the look-though requirements of the diversification rules, Policy Owners may be treated as holding Interests in the Fund and would be subject to current taxation on the annual earnings of the separate account. See "*Certain Tax Considerations – Diversification; Compliance*."

If any Limited Partner were to misrepresent its status as a Qualified Investor, the Service could assert that the Interests were offered to the general public. Among other adverse consequences, such an assertion could result in the contracts issued by Limited Partners to the Policy Owners not being treated as insurance contracts under the Code. Such a result could have material adverse tax consequences to Limited Partners and their Policy Owners. Such a result

could occur, for example, if a Limited Partner misrepresented its status as an Insurance Company or if a Limited Partner failed to hold the Interests properly in a segregated account.

While the Fund is advised in tax matters by counsel and accountants, the positions of the Fund may not be accepted by the Service or the taxing authorities of other jurisdictions. Moreover, applicable tax laws are subject to amendment and changing interpretation, in some cases retroactively. In this regard, it is important to note that the Service has not issued Treasury Regulations concerning the circumstances in which investor control of the investments of a segregated asset account may cause the Policy Owner, rather than the Insurance Company, to be treated as the owner of the assets of the account. Unless and until the Service issues comprehensive Treasury Regulations or other guidance relating to the investor control doctrine, this particular area of the law will remain uncertain.

*General Tax Considerations.* An investment in the Fund involves complex tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of the General Partner and Investment Manager will be based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all investors. There can be no assurance that the structure of the Fund or of any investment will be tax-efficient for any particular investor.

The Limited Partners of the Fund will be required to recognize taxable income for U.S. federal income tax purposes each taxable year because the Fund will allocate to the Limited Partner such Limited Partner's distributive share of the Fund's items of income and gain (or loss and deduction). The recognition of income, gain, loss and deduction in any year for tax purposes may not correspond to, and may, in fact, be greater than, the economic performance of the Fund, and the tax liability due in respect of such income or gain (if any) could be substantial. Limited Partners should have other sources of funding to discharge their tax liabilities, if any, resulting from their investments in the Fund, as the Fund does not expect to distribute cash in any given year. In addition, the Fund may invest in securities of corporations and other entities organized outside the United States. Income from such investments included in a Limited Partner's distributive share of the Fund's income related to such investments may be subject to non-U.S. withholding taxes, which may or may not be reduced or eliminated by an income tax treaty. Furthermore, a Limited Partner may be subject to state and/or local taxes as a result of the Fund's operations and activities. State and local laws may differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit.

*Certain Tax Positions May be Successfully Challenged.* The Fund cannot assure any Limited Partner that the U.S. Internal Revenue Service (the "Service") or the applicable state, local or non-U.S. tax authorities (collectively, the "Tax Authorities") will accept the tax positions taken by such Limited Partner or the Fund. If any Tax Authority successfully contests a tax position taken by the Fund or the Limited Partners, the Fund or the Limited Partners may be liable for tax, interest and/or penalties, and the Limited Partners may be required to file or amend one or more tax returns to reflect such contested positions. In addition, an audit of the Fund may result in an audit of the returns of some or all of the Limited Partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a Limited Partner's investment in the Fund.

*Partnership Audits*. The Fund may be audited by U.S. federal, state or local income tax authorities. Such an audit may result in an increased income tax liability of the Limited Partners of the Fund. If the Service audits the Fund under the partnership audit rules enacted by the Bipartisan Budget Act of 2015 (the "BBA Rules"), which are applicable to any taxable year beginning after December 31, 2017, the Fund will generally be responsible for paying any "imputed underpayment" of tax resulting from audit adjustments (including interest and penalties) in the taxable year during which the audit is finalized, unless the Fund makes an election pursuant to Section 6226 of the Code (which the Fund may or may not make). If the Fund makes such election, the audit adjustments (together with interest and penalties) will be assessed against the Limited Partners. As a result, under the BBA Rules, unless the Fund makes the election described above, Limited Partners in the year of the adjustment, rather than Limited Partners in the year under audit, may effectively bear the cost of such adjustments. A Limited Partner that withdraws or transfers all or a portion of its interest in the Fund will, however, remain liable for its share of "imputed underpayment" (including interest and penalties) of the Fund, relating to the taxable years (or portions thereof) of the Fund, before the withdrawal or transfer of such interest, and the General Partner may (but is not obligated to) require such Limited Partner to pay its share of such adjustments (including any adjustments that relate to the withdrawn or transferred portion of the interest). It should be noted that the General Partner may not (or may not be able to) require certain Limited Partners that withdrew or transferred all or a portion of its interest in the Fund to reimburse the Fund for their shares of imputed underpayments with respect to the withdrawn or transferred interest. Under such circumstances, portions of imputed underpayments (including interest and penalties) attributable to such Limited Partners will be treated as a Fund expense.

Prospective investors are urged to consult their own tax advisors regarding the BBA Rules.

*Delayed Schedules K-1*. The Fund may not be able to provide final Schedules K-1 or equivalent tax forms to Limited Partners for any given Fiscal Year until after April 15 of the following year. Final Schedules K-1 or equivalent tax forms will not be available until the Fund has received all financial and other information necessary or desirable to prepare such reports and forms. Limited Partners may be required to obtain extensions of the filing dates for their federal, state and/or local income tax returns.

*Changes in Tax Law*. U.S. federal tax legislation enacted into law on December 22, 2017 (the "2017 Tax Act") and on March 27, 2020 (the "CARES Act") has made many major changes to the taxation of individuals and businesses. There are a number of technical issues and uncertainties in the 2017 Tax Act and the CARES Act, which may be clarified by future guidance. It is not possible to predict whether such clarifications will result in adverse consequences to the Fund. In addition, changes or modifications in existing judicial decisions or in the current positions of the Service or any other Tax Authority and the passage of new legislation could substantially modify the tax treatment described in this Memorandum, possibly on a retroactive basis. The Fund cannot predict whether the U.S. Congress or any other legislative body will issue new tax legislation or whether the Service or any other Tax Authority will enact new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including

changes to existing laws and regulations, will not have an adverse effect on the Fund's investment performance.

The Fund and/or Limited Partners in the Fund could become subject to additional or unforeseen taxation in non-U.S. jurisdictions in which the Fund invests. Changes to tax treaties (or their interpretation) may adversely affect the Fund's ability to realize income or capital gains efficiently. Payments with respect to the Fund's investments in certain jurisdictions may be subject to withholding taxes and in some cases such withholding taxes may be greater than if such investments were held directly by the investors.

*Medicare Contribution Tax on Unearned Income*. A 3.8% Medicare tax is generally imposed on the net investment income of individuals, estates and trusts. "Net investment income" generally includes the following: (1) gross income from interest and dividends other than from the conduct of a nonpassive trade or business, (2) other gross income from a passive trade or business and (3) net gain attributable to the disposition of property other than property held in a nonpassive trade or business. A significant portion of the income that the Fund derives may constitute net investment income.

*COVID-19*. The COVID-19 pandemic may have a substantial impact on the operations of Tax Authorities, including the Service, that could, among other things, impose delays on their response and processing time to requests and elections from taxpayers. Such delays may have an adverse effect on the Fund's operations and structure.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. The Investment Manager maintains, on behalf of the Fund, a due diligence questionnaire that may include more current information concerning certain risks and other information relating to the Fund, including specific litigation and regulatory information. The Fund's then-current due diligence questionnaire is available to all investors upon request. Investors are encouraged to read all of this Memorandum, review the Fund's due diligence questionnaire and consult with their own advisors before deciding whether to invest in the Fund and periodically thereafter.**

## POTENTIAL CONFLICTS OF INTEREST

*The following list of potential conflicts of interest does not purport to be complete. Additional conflicts may exist that are not known to the Fund, the Investment Manager or their respective affiliates or that have been deemed by them immaterial, in each case, as of the date of this Memorandum. In addition, changes over time (including, without limitation, changes or developments in the Fund's investment program and/or in the Third Point Group's (as defined below) business activities) may subject an investment in the Fund to additional and different actual and potential conflicts of interest. Investors should read this Memorandum and related fund documents in their entirety and consult with their own independent advisors.*

As a general matter, the Investment Manager will endeavor to resolve any conflict of interest in a fair and equitable manner.

*Affiliated Funds*. An investment in the Fund is subject to a number of actual and potential conflicts of interest. Certain inherent conflicts of interest arise from the fact that the Investment Manager, the General Partner and their respective affiliates, owners, members, principals, officers and/or employees (collectively, the "Third Point Group") provide investment management services to the Third Point Funds and the Affiliated Funds.

While the Investment Manager will generally provide similar recommendations to investments held by, or transactions of, the Affiliated Funds, at times the Investment Manager may provide recommendations or take action with respect to the investments held by, and transactions of, the Affiliated Funds that may differ from the recommendations provided or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Third Point Funds, or may be detrimental to the interests of the Third Point Funds, due to a variety of reasons. While the Affiliated Funds often have similar or overlapping investment objectives, there can be no assurance that any Affiliated Funds with similar investment objectives, programs or strategies will hold the same positions, obtain the same financing or perform in a substantially similar manner as the Third Point Funds.

Varying compensation arrangements as between the Investment Manager and its affiliates on the one hand, and the Affiliated Funds on the other hand, including the differences between the management fees and incentive allocation applicable to the Third Point Funds and the management fees and the performance-based compensation applicable to the Affiliated Funds, could incentivize the Investment Manager to devote amounts of time to the Affiliated Funds that may differ from the amount of time devoted to the Third Point Funds.

"Proprietary" capital (investments by the Third Point Group) will not necessarily be allocated to all Affiliated Funds and/or the Third Point Funds, will not necessarily be allocated based on the respective net asset values (or committed capital) of such funds, may be (and in fact, often are) more concentrated in certain of such funds, and may be "shifted" among such funds from time to time without providing any notice to investors.

*Time Commitments and Personal Investments.* The Investment Manager also serves as the investment manager of the Third Point Funds and the Affiliated Funds and will devote only such time to the business of the Fund as, in its sole discretion, it determines to be

necessary and appropriate. In addition, certain members of the Third Point Group are, and in the future may become, involved in other business ventures, depending on the policy of the Investment Manager with respect to such venture. For the avoidance of doubt, such business ventures may not be related to the business of the Fund and may place competing demands on the time certain members of the Third Point Group devote to the Fund and on other resources.

From time to time, the Investment Manager will determine whether or not to make a Private Investment for the Third Point Funds and the appropriate level of participation therein by the Third Point Funds. Such determinations will be made based on considerations such as size of the Third Point Funds, size of the portfolio company, risk/return profile, concentration, portfolio diversification, anticipated liquidity and other macro and micro factors. With respect to any follow-on investment in a Private Investment, the Investment Manager will allocate the capacity in such investment in a manner it deems to be fair and equitable under the circumstances. In addition, the Investment Manager will determine whether to designate all or a portion of a Private Investment opportunity as a Private Investment for the main fund portfolio of the Third Point Funds based on such factors as the Investment Manager determines to be relevant in its sole discretion, as described in "*Summary of Principal Terms – Private Investments*."

Certain members of the Third Point Group may from time to time be presented with opportunities to make private investments. In such circumstances, subject to the approval of the Investment Manager's Chief Compliance Officer, such member(s) may be permitted to make such investments. Circumstances in which such approval may be granted include, but are not limited to, where the opportunity to invest was not offered to the Third Point Funds or the opportunity does not meet, in the Investment Manager's determination, the criteria for eligible venture capital or private equity investments. Such opportunities include investments in investment advisory businesses and other businesses that may be deemed to be competing with the Third Point Funds. To the extent required in the instructions to the Form ADV, Mr. Loeb's interest in other investment advisory businesses will be reflected in the Investment Manager's Form ADV. In limited circumstances, following an investment by a member of the Third Point Group in an opportunity in accordance with the above procedures, the Investment Manager may subsequently have the opportunity to invest in such opportunity (*e.g.*, in a subsequent "round" of financing). At such time, the Investment Manager may determine that it is now appropriate for the Third Point Funds to invest in such opportunity (for example, if the investment opportunity when initially presented did not satisfy the criteria referred to above, but subsequently satisfies such criteria). In such a situation, the Third Point Funds may invest in such opportunity and the Investment Manager may, in its sole discretion, permit the original investing member to retain his or her investment in such opportunity and exercise any rights such member may have to make any additional investments in such opportunity, subject to any terms or conditions the Investment Manager deems appropriate to protect the Third Point Funds' interests.

*Co-investments.* The Investment Manager may, in its sole discretion, determine to offer co-investment opportunities to one or more investors in the Third Point Funds or third parties, in either such case, if it determines in good faith that the amount available for the investment is greater than the Investment Manager's "appetite" for the investment for the Third Point Funds (and the Affiliated Funds employing substantially the same investment strategies) at such time. While no investor should have any expectation that co-investment opportunities will

be offered to it, the Investment Manager believes that having the possibility of allocating co-investment opportunities may be beneficial to the Fund and the Third Point Funds as a whole as it allows the Third Point Funds to contemplate opportunities that may exceed the desired allocation to the Third Point Funds.

Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (*e.g.*, timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, the Investment Manager, in determining the allocation of discretionary co-investment opportunities, expects to take into account various facts and circumstances deemed relevant by the Investment Manager. Such factors are likely to include, among others, whether a potential co-investor adds strategic value, industry expertise or other similar synergies, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether the co-investor has the ability to review the co-investment opportunity and provide capital within the time frame required under the circumstances, whether a potential co-investor has a history of participating in co-investment opportunities with the Third Point Group or a history of similar arrangements with other funds, the size of the potential co-investor's interest to be held in the investment, whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Third Point Group, the Third Point Funds, or other co-investments and/or the Affiliated Funds and such other factors that the Investment Manager deems relevant under the circumstances.

Co-investment opportunities may be made available through limited partnerships, limited liability companies, other entities formed to make such investments or otherwise. The Investment Manager may (or may not) earn asset-based fees and/or performance-based compensation (which may or may not be different from the fees and/or compensation charged by the Third Point Funds) in respect of such co-investments. Based on the compensation structure or composition of investors participating in such co-investment opportunities, the Investment Manager may be deemed to have a conflict when determining the capacity of the Third Point Funds with respect to certain investments.

Additionally, offering co-investment opportunities may introduce certain other conflicts such as with regard to the allocation of co-investment expenses. Co-investors will typically bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of co-investments consummated by them. Although the Investment Manager endeavors to allocate such fees, costs and expenses on a fair and reasonable basis, such a determination is inherently subjective and may give rise to conflicts of interest. In addition, broken deal expenses associated with potential co-investment opportunities that are ultimately not consummated are unlikely to be borne by the contemplated co-investors (as by definition no commitment will have been obtained); rather they will generally be borne by the Third Point Funds (and, if applicable, other Affiliated Funds as deemed appropriate by the Investment Manager), proportionally based on their share of the overall Third Point Funds' (and, if applicable, other Affiliated Funds') expected participation in such investment opportunities. Each fund's expected participation in such unconsummated investment opportunities is based on

any factors deemed fair and equitable by the Investment Manager, including, but not limited to, the respective net asset values of each fund.

The Investment Manager may also, in its sole discretion, determine to offer venture capital or private equity-related co-investment opportunities to one or more employees of the Investment Manager, if it determines in good faith that the amount available for the investment is greater than the Investment Manager's appetite for the investment for the Third Point Funds at such time. In such cases, similar considerations to those outlined above in respect of such other types of co-investments will apply.

*Allocation of Investment Opportunities; Aggregation of Trades.* Certain Affiliated Funds have investment objectives, programs, strategies and positions that are similar, in whole or in part, to those of the Third Point Funds, while others may conflict or compete with the Third Point Funds. It is the policy of the Investment Manager to allocate, in good faith, new investment opportunities fairly and equitably over time. Such allocations may be made considering such factors as the Investment Manager determines to be relevant in its sole discretion, including, without limitation, each Affiliated Fund's interests, investment objectives and restrictions, the amount of leverage to be used, the size of each Third Point Fund and each Affiliated Fund, the size of any applicable portfolio company, risk/return profiles, concentration, portfolio diversification, expected liquidity, tax considerations and other macro and micro factors. In addition, certain Affiliated Funds may have priority with respect to investment opportunities that may be appropriate for the Third Point Funds or such Affiliated Funds. The Investment Manager has adopted procedures to help ensure that allocations do not reflect a practice of favoring or discriminating against the Third Point Funds or any Affiliated Fund or group of Affiliated Funds. Account performance is never a factor in trade allocations. When possible, orders in the same security are generally placed on an aggregated basis and typically allocated based on the target allocation (taking into account leverage and such other factors described above) of each participating Third Point Fund and/or Affiliated Fund account, which may at times reduce the number of securities available for purchase by any particular Third Point Fund. The Investment Manager may, however, increase or decrease the amount of securities allocated to an account to avoid holding odd-lot shares for particular Affiliated Funds or particular Third Point Funds or based on such factors and considerations as the Investment Manager determines to be relevant in its sole discretion (including those described above). Each Third Point Fund and each Affiliated Fund that participates in an aggregated order will generally participate at the same share price for each order in that security, and transaction costs generally will be shared *pro rata* based on each Third Point Fund's and each Affiliated Fund's participation in such transaction. Without limiting the generality of the foregoing, the Investment Manager generally manages each Third Point Fund on a parallel *pro rata* basis with the Affiliated Funds employing substantially the same investment strategies, subject but not limited to each such Third Point Fund's and each such Affiliated Fund's varying stated investment objectives, including the amount of leverage to be used, restrictions, expected liquidity, tax considerations and other considerations described in this Memorandum.

For tax, regulatory, operational, administrative or similar reasons, without receiving consent from any of its limited partners, a Third Point Fund may create a special purpose vehicle to hold one or more Third Point Fund investments. Any such special purpose

vehicle will (i) not be considered an Affiliated Fund and (ii) not trade on a parallel basis with the Affiliated Funds (except with respect to such investments held by such special purpose vehicles).

The business of the Investment Manager, the General Partner and their respective affiliates is dynamic, and additional Affiliated Funds may in the future conflict or compete with the Third Point Funds, in a manner not contemplated as of the date of this Memorandum. The Investment Manager, the General Partner and their respective affiliates may elect to deviate from the investment allocation methodologies described herein if they determine that it is necessary or advisable to do so in light of the foregoing or similar considerations.

*Expenses*. When allocating expenses, the Investment Manager must first determine whether such expenses are the Fund's "own" expenses (for example, because they are directly related to investments made or to be made by the Fund) related to the Investment Manager's research and trading processes, are similar to such expenses or are extraordinary expenses of the Fund and therefore are to be borne by the Fund or whether such expenses are expenses of the Investment Manager to be borne by the Investment Manager, as the case may be. See "*Summary of Principal Terms – Operating and Other Expenses*." Once it is determined that the expense is a "Fund" expense, the Investment Manager will make a further determination of whether such expense is directly and solely related to an investment or is related to the Investment Manager's research and investment processes.

From time to time the Investment Manager will also be required to make determinations regarding whether certain expenses should be borne solely by the Third Point Funds or in conjunction with one or more Affiliated Funds. Subject to certain exceptions such as tax or similar restrictions, Third Point Funds will bear all of their expenses and their share of the Investment Manager's research-related expenses borne by the Third Point Funds and the Affiliated Funds to the extent related to contemplated or actual investments. Expenses that are determined by the Investment Manager to be directly and solely related to contemplated or actual investments will be borne by the Third Point Funds and the Affiliated Funds and will generally be allocated among the Third Point Funds and such Affiliated Funds, as applicable, in proportion to the size of the investment or contemplated investment (as adjusted for leverage) made by each in the activity or entity to which the expense relates, or based on their respective amounts of capital under management or aggregate capital commitments, or in such other manner as the General Partner or the Investment Manager, in their sole discretion, consider fair and equitable. Certain expenses reasonably deemed attributable only to a Third Point Fund and/or certain of the Affiliated Funds will be allocated to such Third Point Fund and/or such Affiliated Funds (as applicable). However, if such allocation of expenses would result in an outcome that the Investment Manager considers not to be fair or equitable, the Investment Manager may allocate expenses among the Fund, certain Third Point Funds and certain or all of the Affiliated Funds in a manner it determines to be fair and equitable.

For the avoidance of doubt, the Third Point Funds will directly bear (and the Fund will therefore indirectly bear) any costs (including legal costs) associated with contemplated or actual investments or proxy solicitation contests, the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related anti-trust or other regulatory filings) by the Investment Manager in connection with the Third Point Funds' investments, any compensation paid to individuals

considered for nomination, nominated and/or appointed, at the Third Point Funds' request, to the board or credit committee (or any similar *ad hoc* committee) of a portfolio company (including any compensation paid in relation to serving in such capacity) and any related expenses (such as all costs incurred in connection with recruiting directors or members to serve on the board or credit committee (or any similar *ad hoc* committee) of a portfolio company, proxy solicitors, public relations experts, costs associated with "white papers", lobbying organizations to the extent reasonably determined by the Investment Manager to be employed in connection with investments or prospective investments of the Third Point Funds and public presentations).

To the extent that the General Partner determines that any expenses are not directly attributable to an investment of the Third Point Funds or potential investment that is not ultimately consummated and such expenses are not paid by an investment or other person, such expenses shall be borne by the Third Point Funds and any Affiliated Fund to the extent applicable, *pro rata* (A) with regard to the Third Point Funds and/or any Affiliated Fund that has rolling subscriptions, based on net asset value, and (B) with regard to any Affiliated Funds that have capital commitments, based on (x) during any such Affiliated Fund's investment period (if applicable), the amount of capital commitments, and (y) after any applicable investment period, the amount of aggregate actively invested capital, or, in any case, in such other manner as the General Partner considers fair and equitable.

As a result of the Investment Manager's integrated investment team, there could be instances where certain Affiliated Funds may not be bearing costs that are borne by the Fund or the Third Point Funds, and such costs result in incidental benefits to such Affiliated Funds (or *vice versa*).

These expense allocation determinations will necessarily be subjective and may give rise to conflicts of interest between the interests of the Fund and/or the Third Point Funds and the interests of the Investment Manager, who might otherwise bear such expenses. Any description in this Memorandum of the expenses that the Fund and the Third Point Funds may bear is not exhaustive. See "*Summary of Principal Terms – Operating and Other Expenses*."

Similarly, with regard to the Fund's indemnification obligations as set forth above in "*Management – The Investment Manager*," the Investment Manager or the General Partner, as applicable, may be required to determine whether an Indemnified Person's action or failure to act constituted fraud, bad faith, willful misconduct or gross negligence, and such determination is inherently subjective and may give rise to conflicts of interest.

*Rebalancing*. Monthly, and at times intra-month, the Investment Manager executes rebalancing trades (based on monthly performance and cash inflows/outflows) to maintain, to the extent practicable, parity in the portfolio composition of the Third Point Funds and the Affiliated Funds employing substantially the same investment strategies, taking into account various factors including account leverage, investment restrictions and tax considerations. If withdrawals or subscriptions result in a disparity among the portfolio composition of the Third Point Funds and the Affiliated Funds employing substantially the same investment strategies and/or if the Investment Manager determines that a change in the leverage factor of certain levered Third Point Funds and Affiliated Funds (together, the "Levered Funds") is appropriate (such change may result in changes to the Third Point Funds' portfolio

composition, since the Levered Funds are generally managed on a parallel, *pro rata* basis with the Third Point Funds, with the difference that the Levered Funds are typically more levered than nearly all of the other Third Point Funds), then the Investment Manager will, subject to certain considerations specified in the Investment Manager's internal rebalancing guidelines, seek to achieve such parity or change in leverage (as applicable) through rebalancing or through the purchase or sale of securities on the open market. In order to effect a rebalancing, the Investment Manager will purchase or sell securities or other investments for one or more of the Third Point Funds or Affiliated Funds, as applicable, while at the same time the Investment Manager is selling or purchasing the same investments for one or more other Third Point Funds or Affiliated Funds, as applicable. In order to minimize transaction and market impact costs, the Investment Manager may effect cross-transactions in these investments among the Third Point Funds or Affiliated Funds, as applicable (which frequently will, but need not, be executed through brokers) at prevailing market prices. With respect to illiquid investments held by the Third Point Funds and such Affiliated Funds (see "*Certain Risk Factors – Business Risks – Private Investments*"), the Investment Manager will engage in rebalancing transactions at the valuations determined by the Investment Manager. Whenever the Third Point Funds engage in cross-transactions with a counterparty that may be deemed to be a "principal" fund of the Investment Manager (or if a Third Point Fund engages in swap transactions with another Third Point Fund or Affiliated Fund), an independent party may be engaged to approve such transactions on behalf of each of the Third Point Funds or Affiliated Funds, as applicable, and may also be retained to determine whether the pricing represents fair value and whether or not such transactions are consummated in a manner consistent with terms that would reasonably be expected in a transaction between unrelated parties.

Rebalancing transactions do not involve all of the securities held by Third Point Funds and the Affiliated Funds and are not expected to bring the Third Point Funds and the Affiliated Funds to a perfect parity with one another.

*Special Arrangements*. There may be circumstances in which it may be advantageous to establish nominee arrangements under which particular investments such as bank debt, trade claims, private investments and investments held for tax purposes (and a limited number of other difficult to transfer securities) are held by the Third Point Funds or an Affiliated Fund, while the economic benefits and risks of those investments are shared by the Third Point Funds and one or more Affiliated Funds. Such nominee arrangements may entail the creation of special purpose vehicles, derivatives contracts and other mechanisms for sharing risk and reward and generally reduce the expense and administrative burden of any rebalancing with respect to those securities. The Investment Manager will establish such nominee arrangements only where there is no reasonable alternative, and in any event will seek to ensure that all such arrangements result in a fair and equitable sharing of risk and reward, taking into consideration any financing or other incremental costs.

To the extent the Investment Manager (or its affiliates) have significant investments in any of the Affiliated Funds involved in such arrangements, such Affiliated Funds may be regarded as proprietary accounts of the Investment Manager. The fairness of arrangements involving proprietary accounts will be reviewed by an independent party. The Fund or each Affiliated Fund that bears economic risk and reward from these arrangements will

bear any associated tax or regulatory risk, and may be required to indemnify the Third Point Funds or Affiliated Funds with respect to those risks.

*Service Providers*. The Investment Manager will generally select the Fund's and the Third Point Funds' service providers. In addition, service providers may provide services to both the Fund and one or more members of the Third Point Group. While such arrangements have the potential to give rise to conflicts of interest, the Investment Manager will attempt to ensure that service provider selection for the Third Point Funds is not impacted by any provision of services to members of the Third Point Group and that the Fund does not effectively subsidize the costs of such services. Furthermore, members of the Third Point Group may be related to (by blood, marriage or otherwise), or may be personal friends with, the Fund's and/or the Third Point Funds' service providers or their respective owners, members, principals, officers or employees. The Investment Manager addresses these conflicts of interest by, in consultation with the Investment Manager's compliance committee, taking reasonable measures to ascertain whether each service provider is qualified and appropriate to provide its services in a manner that serves the best interests of the Fund, taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers satisfying the Investment Manager's service provider selection criteria.

As the Fund and the Third Point Funds have no employees, the Fund and the Third Point Funds are reliant on the performance of the service providers. Each Limited Partner's relationship in respect of its Interests is with the Fund only. Accordingly, absent a direct contractual relationship between a Limited Partner and the relevant service provider, no Limited Partner will have any contractual claim against any service provider for any reason related to its services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund and/or the Third Point Funds by the relevant service provider is, *prima facie*, the Fund and/or the Third Point Funds. There are reputational and financial reasons, among other reasons, for the Fund or the Third Point Funds, even when it is apparent that a service provider has made an error, not to pursue legal remedies against such service provider.

*No Separate Counsel.* Legal counsel has been retained for the Fund and the Investment Manager. No separate counsel has been retained to act on behalf of the Limited Partners.

*Proprietary Investments.* Members of the Third Point Group invest their personal capital in the Third Point Funds or the Affiliated Funds. The Investment Manager believes that this alignment of financial interest between investors and the Investment Manager minimizes certain conflicts of interest that may exist. Members of the Third Point Group will, however, be permitted to withdraw all or a portion of its or their investment(s) from the Third Point Funds under certain circumstances more frequently (and hence at such time as investors may not be able to withdraw) or upon shorter notice (and hence while having more recent information to affect the withdrawal decision). Notwithstanding the Third Point Funds' ability to exercise such authority, any such withdrawals remain subject to the Investment Manager determining that there are no material adverse consequences to the Third Point Funds as a result of such withdrawal.

"*Master-Feeder" Structure*. The Fund may invest in certain Third Point Funds (each, a "Feeder Fund") which are part of a "mini master-feeder" structure or a "master-feeder" structure. As of the date of this Memorandum, the only feeder funds in the "mini master-feeder" or "master-feeder" structures are the Feeder Funds. As an affiliate of the General Partner will be a general partner of each master fund (each, a "Master Fund") in each such "mini master-feeder" structure or "master-feeder" structure (each such Master Fund, a Cayman Islands exempted limited partnership), each general partner of a Master Fund may have different and/or conflicting interests from a tax standpoint from those of the shareholders of the related Feeder Fund (a Cayman Islands exempted company, a British Virgin Islands business company or a Delaware limited partnership), which may bias such general partner and the investment manager of the Feeder Fund in their decision making with respect to the Feeder Fund and the Master Fund.

*Investments in Affiliated Funds.* The Fund may directly or indirectly make investments in existing or newly-formed Affiliated Funds, which investments may accrue additional benefits to the Third Point Group. Notwithstanding that the Fund will not pay any additional fees or be subject to any incentive allocation relating to any investments made by it in any Affiliated Fund, the Fund's investment may make such Affiliated Fund more attractive to other investors, for instance, by making such Affiliated Fund operationally viable or more financially stable. Consequently, the Fund's investment may serve to attract third party investors, resulting in increased fees and/or performance allocations from such third party investors being paid to the Third Point Group.

*Compensation to the General Partner and the Investment Manager*. The Incentive Fee paid to the Investment Manager and the incentive allocations made to the General Partner (or its affiliates) at the Third Point Fund level (generally equal to 20% of the excess of the net realized and unrealized capital appreciation allocated to the Fund's capital accounts in each Third Point Fund during each fiscal quarter or fiscal year (depending on the fund) generally over a "high watermark"), which arrangements were arrived at without negotiation with any third party, may create an incentive for the General Partner and/or the Investment Manager to cause the Fund or the Third Point Funds to make investments that are riskier or more speculative than would be the case if such compensation were not performance-based, particularly in any period after the Fund or the Third Point Funds have suffered losses. Further, as described herein, the Fund's and the Third Point Funds' securities will be valued based on the Investment Manager's then-current valuation policy. The valuation of hard-to-value securities may give rise to a conflict of interest since the incentive allocations allocated to the General Partner (or its affiliates), an affiliate of the Investment Manager, at the Third Point Fund level and the Incentive Fee and management fees paid to the Investment Manager (including at the Third Point Fund level), will be calculated, in part, based on the values assigned to such securities by the Investment Manager. In addition, because the Incentive Fees and the indirect incentive allocations at the Third Point Fund level are calculated on a basis that includes unrealized appreciation, such fees and allocations will be different from (and may be greater than) the result that would have been obtained if they were calculated based solely on realized gains. Moreover, because the Incentive Fee is calculated with respect to the net capital appreciation attributable to Fixed Income Investments, it is possible that the Investment Manager may be paid an Incentive Fee in a Fiscal Year where the Fund has experienced an overall loss, if such loss was attributable to the Fund's investment in the Third Point Funds.

In addition, compensation arrangements entered into between the General Partner and the Investment Manager, on the one hand, and Affiliated Funds on the other hand, may bias the General Partner and the Investment Manager in their decision making with respect to such Affiliated Funds.

*Holding Period Requirements for Long-Term Capital Gain*. Noncorporate U.S. persons (including the owners of the General Partner) are subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment of the Fund held for more than one year will be treated as long-term capital gain. Under the 2017 Tax Act, however, gain in respect of the General Partner's (or its affiliates) incentive allocation at the level of the Third Point Funds will be treated as short-term capital gain unless the relevant Third Point Fund's holding period in the relevant investment is for more than three years. (The 2017 Tax Act does not modify the treatment of allocations of qualified dividend income in respect to the General Partner's (or its affiliates) incentive allocation at the level of the Third Point Funds, and therefore allocations of qualified dividend income will continue to qualify for the preferential tax rate for noncorporate persons). As a consequence, conflicts of interest may arise in connection with the General Partner's decisions regarding the timing of the acquisition or disposition of the Third Point Funds' investments and/or how to monetize the Third Point Funds' investments.

*Side Letters; Different Terms*. The Fund may, without the approval of any Limited Partner, enter into Side Letters or offer Interests that waive, or provide more advantageous, investment terms to certain Limited Partners. See "*Certain Risk Factors – Fund Risks – Side Letters; Different Terms*" and "*Investing in the Fund – Side Letters; Disclosure of Fund Information*."

*Non-Public or Confidential Information*. The Third Point Group may acquire material non-public and/or confidential information (or certain other information) that may restrict by law, internal policies or otherwise the Investment Manager from purchasing securities or other assets, or selling securities or other assets for themselves or their clients (including the Fund) or otherwise using or receiving such information for the benefit of the Third Point Group or their clients. See "*Certain Risk Factors – Risks of Special Techniques – Exposure to Material Non-Public Information*."

*Sales Charges*. There will be no sales charges payable by or to the Fund or the Investment Manager in connection with the offering of Interests. However, the Investment Manager may enter into arrangements with placement agents to solicit Limited Partners in the Fund, and such arrangements may provide for the compensation of such placement agents for their services at the Investment Manager's expense and on a fully disclosed basis. Placement agents that solicit Limited Partners on behalf of the Fund are subject to a conflict of interest because they will be compensated by the Investment Manager in connection with their solicitation activities. If a prospective Limited Partner is introduced to the Fund through a placement agent, the arrangement, if any, with such placement agent will be disclosed to the prospective Limited Partner prior to any investment by such prospective Limited Partner, and any such Limited Partner(s) will be advised of, and asked to consent to, any compensation arrangements relating to their solicitation.

*Withdrawals*. As noted in "*Certain Risk Factors – Fund and Third Point Fund Risks – Withdrawals by the Fund*," the Fund may withdraw (or redeem) its investments in the TP Funds in order to, among other reasons, reduce the Fund's exposure to investments in the TP Funds and increase the Fund's exposure to Fixed Income Investments. The decision to so withdraw (or redeem) may result in the Fund, and therefore the Limited Partners, not continuing to benefit from the .0625% per quarter (or 0.25% per annum) reduction in (i) the Management Fee and (ii) the applicable management fee with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests invested in the TP Funds. Consequently, the Investment Manager may be conflicted when making a decision to so withdraw (or redeem) the Fund's investments in the TP Funds.

*Additional Conflicts*. Certain of the Third Point Funds may have the ability (but will not be obligated) to consult with its board of directors or a committee appointed by the Third Point Group, as applicable, to approve or disapprove of certain conflicts of interest. Limited Partners should be aware that it is impossible to predict the full range of situations in which actual or potential conflicts of interest may arise between the Fund and Affiliated Funds. Future activities of the Third Point Group, including the establishment of other investment funds, may give rise to additional conflicts of interest. Accordingly, this discussion cannot be, and is not intended to be, exhaustive.

## PORTFOLIO TRANSACTIONS AND BROKERAGE

In purchasing and selling portfolio securities for the Fund and the Third Point Funds, the Investment Manager seeks to obtain best execution at the most favorable prices from brokers and dealers. In selecting broker-dealers to execute transactions and evaluating the reasonableness of the brokerage commissions paid to them, consideration will be given to various factors, including the following: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker-dealer; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of research services available through the broker-dealer; and the competitiveness of commission rates in comparison with other broker-dealers satisfying the Investment Manager's other selection criteria. While the Investment Manager generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent.

Subject to the considerations described above, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loans, hold cash and short balances and provide other services may be influenced by, among other things, the creation of soft dollars, and the provision by the broker of capital introduction, research and research-related services, marketing assistance and consulting services with respect to technology, operations and/or equipment. Neither the Investment Manager nor the Fund nor the Third Point Funds separately compensate any broker for any of these other services.

The Fund's and the Third Point Funds' securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the Fund or the Third Point Funds, and not the Investment Manager, will be obligated to pay. The Investment Manager will have complete discretion in deciding what brokers and dealers the Fund and the Third Point Funds will use and in negotiating the rates of compensation the Fund and the Third Point Funds will pay. The Fund and the Third Point Funds buy and sell securities directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

In certain instances, the Investment Manager may also execute OTC securities transactions on an agency basis, which may result in the Fund or the Third Point Funds incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market maker's mark-up or mark-down. The Investment Manager believes that such an allocation of brokerage business helps the Fund and the Third Point Funds and the Investment Manager's other clients to obtain research and execution capabilities and provides other benefits.

Some service providers are global firms with affiliated investment banking, corporate finance, asset management or other financial advisory divisions. At any time, the asset management divisions of such service providers may have investments in accounts managed by the Investment Manager. Similarly, the Investment Manager may trade through a broker-dealer that has referred investors to the Fund or the Third Point Funds and/or provided the Investment Manager with access to third-party software and other services. The Investment Manager may

also cause the Fund and the Third Point Funds to utilize the services of service providers that do business with the Investment Manager or its partners and/or employees (in its or their individual capacities). The Investment Manager periodically conducts a review of the Fund's and the Third Point Funds' brokerage usage in order to determine that the criteria for "best execution" are being met. The Investment Manager selects service providers based on their perceived quality of services and not based on other relationships that it (or its partners and/or employees) may have with such providers.

**Soft Dollars**

In selecting brokers or dealers to execute transactions, the Investment Manager will use soft dollars. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available brokerage commissions, mark-ups or other compensation (collectively, "Commissions"). It is not the Investment Manager's practice to negotiate "execution only" Commissions; thus, the Fund and the Third Point Funds may be deemed to be paying for research and other services provided by the broker or brokers which are included in the Commissions. Research and related services furnished by brokers will be limited to services that constitute research and brokerage services within the meaning of Section 28€ of the Exchange Act ("Section 28(e)"). Accordingly, research and related services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as invitations to attend conferences, meetings or discussions with management teams, security analysts, industry consultants and economists; financial or industry publications; statistical and pricing services, along with hardware, software, data bases and other technical, technological and telecommunication services, lines and equipment utilized in the investment management process, including any updates, upgrades, modifications, maintenance, repairs, replacements, modernizations or improvements thereof. Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers or purchased on behalf of the Fund and the Third Point Funds with credits or rebates provided by brokers. If "soft dollars" are generated by virtue of the activities of the Fund and the Third Point Funds, the Investment Manager will be permitted to use such "soft dollars" to pay for soft dollar items used by any of the Affiliated Funds, thereby benefitting the investors in such Affiliated Funds over the investors of the Fund and the Third Point Funds, who would have indirectly paid for such "soft dollars."

Investors of the Third Point Funds may include fund-of-funds affiliated with brokers or, possibly, brokerage firms themselves. The fact that any such investor has invested in the Third Point Funds will not be taken into consideration in selecting brokers (including prime brokers).

With respect to brokerage and research services obtained by the use of Commissions that also assist the Investment Manager in performing other functions that do not provide it with lawful and appropriate assistance in making investment decisions (such as accounting, recordkeeping or administrative services) ("Mixed Use Services"), the Investment Manager will make a reasonable allocation of the cost of such service according to its use and use Commissions to pay only for the eligible component that falls under the Section 28(e) safe harbor. The Investment Manager may have a conflict of interest when determining the allocation of Mixed Use Services between those services that primarily provide assistance in making

investment decisions on behalf of its clients and those that primarily benefit the Investment Manager. The use of Commissions to obtain such other services that may be outside of the parameters of Section 28(e) will be paid for by the Investment Manager in hard dollars.

In addition, the Investment Manager may execute trades with broker-dealers with whom the Fund and the Third Point Funds have other business relationships, including prime brokerage, credit relationships and capital introduction relationships or with broker-dealers that have invested, either directly or through affiliates, in the Fund and the Third Point Funds or their affiliates. However, the Investment Manager does not intend for these other relationships to influence the choice of broker-dealers who execute trades for the Fund and the Third Point Funds.

From time to time the Investment Manager may participate in certain broker-dealer's ("sponsoring broker-dealer") charity day programs, whereby the applicant may elect on a specified day to effect certain client trades through the sponsoring broker-dealer and permit it to use a portion of client commissions for charitable purposes, including donations to charitable organizations and other broker-dealers that may need assistance in natural disaster recovery efforts. Such charitable organizations may include organizations that are organized or sponsored by, or otherwise have a relationship with, the Investment Manager and/or its principals and/or its employees (and/or their spouses). If the Investment Manager participates in such events, care is taken to ensure that commissions are no greater than would be charged under normal circumstances.

The Fund's and the Third Point Funds' use of Commissions will be pursuant to the Investment Manager's soft dollar policy, which is described in the Form ADV Part 2A of the Investment Manager.

**Prime Brokers**

Certain of the Fund's and the Third Point Funds' assets will be held by the Fund's and the Third Point Funds' prime brokers or otherwise qualified custodians. Each prime broker will be responsible for the safekeeping of those assets of the Fund and the Third Point Funds held by it as custodian, except for assets deposited as margin with brokers. Pursuant to the terms of a prime brokerage and custody agreement (the "Prime Brokerage Agreement") with each prime broker, each prime broker will provide other services to the Fund and the Third Point Funds, which may include margin financing, stock lending, clearance and settlement services. The Prime Brokerage Agreements include provisions requiring the Fund and the Third Point Funds to indemnify the applicable prime broker for any losses incurred by the prime broker in providing services to the Fund and the Third Point Funds so long as the prime broker met the applicable standard of care in the Prime Brokerage Agreement. Each prime broker will be paid such customary fees for its services as the Fund and the Third Point Funds and the prime broker negotiate from time to time.

None of the prime brokers or any other broker that may be appointed will exercise any investment discretion on behalf of the Fund's and the Third Point Funds' assets.

The Investment Manager reserves the right to change the Fund's and the Third Point Funds' prime brokerage and custodian arrangements with respect to each prime broker by agreement with such prime broker, and/or in its discretion, to appoint additional alternative prime broker(s) and custodian(s).

**Trade Error Policy**

Transactions may be effected on occasion in a manner that differs from what was intended as a result of trading errors. The Investment Manager reviews any trade errors that it discovers, on a case-by-case basis, and decides what corrective steps to take, if any, after reviewing the error. To the fullest extent permitted by law (including the U.S. Federal securities laws), the Investment Manager will not be liable to the Fund or the Third Point Funds for any losses resulting from trading errors and similar human errors except for acts that constitute fraud, bad faith, willful misconduct or gross negligence. As a result, losses caused by trade errors are often borne by the Fund or the Third Point Funds. See "*Certain Risk Factors – Fund Risks – Execution Risks and Investment Manager Error*" for further information.

# INVESTING IN THE FUND

## Plan of Distribution

There is no maximum dollar amount of subscriptions for Interests which will be accepted. Each potential Limited Partner must subscribe for a minimum of $500,000, subject to waiver or change in the sole discretion of the General Partner.

Investors will be charged no direct fees or commissions when purchasing Interests. The General Partner may, in its discretion, however, compensate any investment professional that assists any Limited Partner or Limited Partners in connection with an investment in the Fund.

## Investor Eligibility Standards

The Interests offered pursuant to this Memorandum will not be registered under the Securities Act and must be acquired for investment and not with a view to distributing them within the meaning of the Securities Act.

Subject to the discretion of the General Partner, Limited Partners will be limited to insurance companies within the meaning of Section 816(a) of the Code and Section 2(a)(13) of the Securities Act ("Insurance Companies") (and any pass-through entities whose underlying beneficial owners are comprised solely of such Insurance Companies, except as permitted by Treasury Regulation Section 1.817-5(f)(3)), provided that (i) any such Insurance Company maintains "variable contracts," as defined in Code Section 817(d) in which all or part of the amounts received under the contract must be segregated from the general asset accounts of the insurance company pursuant to U.S. federal or state law or the law of any other jurisdiction ("Segregated Account"), and (ii) the Insurance Company invests (directly or indirectly) only assets held in the Segregated Account or Segregated Accounts in the Fund. All Insurance Companies, Segregated Accounts and owners ("Policy Owners") of such "variable contracts" must qualify as "accredited investors" (within the meaning of Rule 501(a) under the Securities Act) and "qualified purchasers" (within the meaning of Section 2(a)(51) of the 1940 Act). For the qualifying criteria of an "accredited investor" and "qualified purchaser," see the Fund's Subscription Agreement. Except for the requirement that each Limited Partner must be an Insurance Company (or a pass-through entity whose underlying beneficial owners are comprised solely of such Insurance Companies in satisfaction of the requirements of Treasury Regulation Section 1.817-5(f)(3)), the General Partner may waive any of such requirements with respect to one or more investors when such waiver is not inconsistent with the interests of the Fund and does not violate applicable regulatory requirements. The General Partner, in its sole discretion, may decline to accept the subscription of a prospective investor.

Policy Owners will not be Limited Partners of the Fund, will not have any ownership interest in the Fund, will have no voting rights in the Fund, will have no rights under this Memorandum, will not be in privity with the Fund, the General Partner or the Investment Manager, and will have no standing or recourse against the Fund, the General Partner or the Investment Manager. The Policy Owners have no right to consult with, directly or indirectly, or

engage in communication with the General Partner or the Investment Manager with respect to their indirect investment in the Fund.

The rights of the Policy Owners are governed solely by such Policy Owners' contracts with their Insurance Company and not by the Partnership Agreement or the Fund's Subscription Agreement. The rights, benefits and obligations provided under the variable insurance contract with the Insurance Company differ materially from the rights, benefits and obligations provided under the Partnership Agreement. None of the Fund, the Investment Manager or the General Partner will accept any instructions from the Policy Owners with respect to the investments made by the Fund, or have any liability to the Policy Owners.

**Side Letters; Disclosure of Fund Information**

The Fund has the authority to enter into Side Letters with one or more Limited Partners which provide such Limited Partners with additional and/or different rights than other Limited Partners, including, without limitation, with respect to portfolio transparency, information or reporting. Consequently, certain Limited Partners may invest on terms that provide access to information that is not generally available to other Limited Partners. The Fund will not be required to notify any or all of the Limited Partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund be required to offer such additional and/or different rights and/or terms to any or all of the other Limited Partners.

Notwithstanding the authority to do so, the Fund and the Investment Manager have not entered, and do not intend to enter, into contractual agreements which vary the economic or liquidity terms of an investment in the Fund applicable to an investor other than Side Letters with certain Insurance Companies if they require additional and/or different withdrawal terms in order to comply with any law or regulation applicable to such Insurance Company.

Some Fund information may be material, nonpublic information. Disclosing or trading on such information may be prohibited under the laws of many jurisdictions, including the U.S. and U.K. In particular, a Limited Partner or other person in receipt of such information may be prohibited from acquiring or selling securities in any publicly traded entity advised by the Investment Manager that has overlapping investments with the Fund, until such information is no longer material and/or nonpublic. The General Partner may impose appropriate limitations on the use of such information.

**Administrator**

The Administrative Services Agreement between the Fund and the Administrator (the "Administration Agreement") provides that the Administrator will be fully liable to the Fund for any and all liabilities or expenses arising out of the fraud, willful default, gross negligence or willful misconduct of the Administrator or its employees or agents. Under the Administration Agreement, the Fund will indemnify the Administrator from and against any loss, liability, claim or expense (including reasonable attorneys' fees and disbursements) suffered or incurred by the Administrator in connection with the performance of its duties pursuant to the Administration

Agreement, other than liability and expense arising out of the fraud, gross negligence or willful misconduct of the Administrator.

Pursuant to the Administration Agreement, the Administrator will be responsible for, among other things: (i) process trade file transmitted by the Fund daily on trade-date; (ii) perform trade-date confirmation for non-DTC eligible securities (electronic, telephonic or hardcopy); (iii) transmit trade details received from the Fund for applicable security types to prime brokers and custodians on trade-date and resolve any discrepancies in data transfer on trade-date; (iv) provide settlement instructions received from the Fund, for applicable security types, to prime brokers and custodians; (v) monitor trade fails with prime brokers, counterparties and the Fund including review of prime broker/custodian fail or mismatch reports; (vi) gather and review OTC confirmations; (vii) gather prices for portfolio securities daily from third party pricing sources; (viii) prepare and provide daily reconciliation report of cash, trades and positions to prime broker and custodian statements (where prime brokers or custodians are utilized) on T+1, subject to the receipt of information from third parties; (ix) prepare and provide daily (or as frequent as practicable) reconciliation report on OTC positions to OTC counterparty records provided to IFS; (x) prepare and provide daily position, P&L and activity reporting on T+1, subject to the receipt of trade file information from the Fund; (xi) prepare and provide weekly and monthly estimated rate of return/net asset value; (xii) prepare and provide weekly and monthly calculation of management and performance fees/ allocation; (xiii) receive expense budget for Fund and book related accruals and IFS will relieve accruals and process expenses (legal fees, accounting fees and any other third party fees) for payment upon receipt of third party invoices from the Fund or otherwise at the direction of the Fund; (xiv) prepare summary unaudited financial statements for the Fund on a quarterly basis; (xv) maintain accounting books and records for the Fund; (xvi) assist auditors with annual audit; (xvii) administer bank accounts of the Fund on behalf of the Fund and arrange for such payments from such accounts as may be directed by the Fund; (xviii) process the purchase, transfer and/or withdrawal of Interests; (xix) send investor statements on behalf of the Fund, as directed by the Fund and agreed by IFS, by mail, fax or email to Limited Partners on a monthly basis; (xx) maintain the investor register for the Fund; (xxi) track investors which are subject to Title I of ERISA and/or Section 4975 of the Code, or which are otherwise considered to be "benefit plan investors" within the meaning of the Section 3(42) of ERISA; (xxii) receive, record and deal with probates, letters of administration, powers of attorney, dividend mandates, resting orders, certificates of marriage or death, notices of change of name and other documents affecting title to Interests or any dividends payable thereon affecting the investor register; (xxiii) review all subscription forms for completeness and report any incomplete application forms to the Fund; (xxiv) distribute any additional documentation to Limited Partners, as directed by the Fund and agreed by IFS, including, without limitation, newsletters or other investor communications, Forms ADV and related privacy statements, audited financials and K-1 forms; (xxv) process and provide certain tax and accounting functions; and (xxvi) ensure that all financial eligibility and anti-money laundering documents have been provided.

## Additional Information

Copies of the Partnership Agreement, the Investment Management Agreement, and the Investment Manager's Form ADV Part 2 are available upon request from the Administrator.

## CERTAIN TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal tax consequences relating to the acquisition, ownership and disposition of Interests that for U.S. federal income tax purposes are held as capital assets. This summary is based on the Code, the regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published rulings of the Service and other administrative rulings and practice currently in effect and applicable to the expected operations of the Fund, and does not take into account the possible effect of future legislative or administrative changes or judicial decisions. It is not intended as a complete analysis of all possible tax considerations relevant to acquiring, holding or disposing of Interests. The Fund has not sought a ruling from the Service or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues. The Service or a court might reach a contrary conclusion with respect to the issues addressed herein if the matter were contested. Future legislative or administrative changes or judicial decisions may significantly change the conclusions expressed herein, and any such changes or decisions may have a retroactive effect.

This summary does not purport to address all material tax consequences of the purchase, ownership and disposition of Interests and, except as otherwise provided below, does not take into account the specific circumstances of any particular Limited Partner or Limited Partners that may be subject to special rules (such as tax-exempt organizations (except to the extent expressly provided herein) and non-U.S. investors, certain insurance companies, broker dealers, regulated investment companies, traders in securities that elect to mark to market, Limited Partners liable for the alternative minimum tax, Limited Partners that hold Interests as part of a straddle or a hedging or conversion transaction or as part of a "synthetic security" or other integrated financial transaction, Limited Partners that are subject to "applicable financial statement rules" under Section 451(b) of the Code, or Limited Partners that own directly, indirectly or constructively 10% or more of the Fund). In addition, special considerations (not discussed herein) may apply to persons who are not direct Limited Partners in the Fund but who are deemed to own Interests as a result of the application of certain attribution rules. Moreover, this summary does not address the consequences to Limited Partners that contributed marketable securities to the Fund in exchange for their Interests. This summary does not address the treatment of Limited Partners under the laws of any U.S. state or local taxing jurisdiction or, except to the extent discussed herein, any non-U.S. taxing jurisdiction.

For U.S. federal income tax purposes, income earned through a partnership or other pass-through entity is attributed to its partners or owners. Accordingly, if a partnership or other pass-through entity invests in the Fund, the U.S. federal income tax treatment of a partner or owner of such entity will generally depend on the status of the partner or other owner and the activities of the partnership or other pass-through entity that invests in the Fund. Tax consequences to partners or owners of a partnership or other pass-through entity that is a Limited Partner are not discussed in this summary, and such investors are urged to consult their own tax advisors.

THE INCOME TAX LAWS APPLICABLE TO AN INVESTMENT IN THE FUND ARE EXTREMELY COMPLEX. THIS SUMMARY OF TAX CONSEQUENCES IS NOT EXHAUSTIVE AND DOES NOT CONSTITUTE TAX ADVICE. A PROSPECTIVE

INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR IN ORDER TO UNDERSTAND FULLY THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF AN INVESTMENT WITH RESPECT TO THE INVESTOR'S PARTICULAR SITUATION.

**Insurance Company Taxation**

Insurance Companies are subject to many special rules governing the federal income taxation of such companies, many of which were modified under the 2017 Tax Act. In particular, life insurance companies are subject to tax under the provisions contained in Subchapter L of the Code. This Memorandum does not specifically address any of the provisions in the Code as they may apply to an Insurance Company. ACCORDINGLY, EACH INSURANCE COMPANY OFFEREE IS ADVISED TO CONSULT ITS TAX ADVISERS CONCERNING THE TAX CONSEQUENCES TO IT OF ACQUIRING, OWNING AND DISPOSING OF INTERESTS IN THE FUND.

**Classification of the Fund**

The Fund intends to be classified as a partnership for U.S. federal income tax purposes. As a partnership, the Fund generally will not be subject to U.S. federal income tax (except possibly in connection with tax audits). The Fund will file an annual partnership information return reporting the taxable income, gain, loss, deduction and credits resulting from its operations. Each Partner must report on its income tax return its allocated share of the Fund's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss, deduction or credit. Each Partner must report its distributive share of any income, gain, loss, deduction and credit whether or not it has received a distribution from the Fund. If the Fund's preparation of its return is delayed, it may be advisable for Limited Partners to request extensions for filing their own income tax returns. The remainder of this discussion assumes that the Fund will be treated as a partnership for U.S. federal income tax purposes.

As discussed above, the Fund invests in the Third Point Funds. If a Third Point Fund is classified as a partnership for U.S. federal income tax purposes, the Fund (as an investor in such Third Point Fund) will be required to take into account for U.S. federal income tax purposes its distributive share of the Third Point Fund's income, gains, losses and deductions. Accordingly, references to the Fund in this "*Certain Tax Considerations*" should be interpreted to include, where appropriate, any Third Point Funds treated as partnerships for U.S. federal income tax purposes.

If it were determined that the Fund should be treated as a corporation for U.S. federal income tax purposes, rather than as a partnership, (as a result of changes in the Code, the Treasury Regulations or judicial interpretations thereof, a material adverse change in facts, or otherwise), the taxable income of the Fund would be subject to corporate income tax when recognized by the Fund; distributions of such income, other than in certain redemptions of Interests, would be treated as dividend income when received by the Partners to the extent of the current or accumulated earnings and profits of the Fund; and Partners would not be required to report profits or losses realized by the Fund. The treatment of the Fund as an association taxable as a corporation would substantially reduce the anticipated benefits of an investment in the Fund.

Furthermore, the Limited Partners would lose their look-through treatment and would not comply with the diversification requirements imposed by Section 817(h) of the Code.

**Diversification; Compliance**

Interests in the Fund will be held only by separate accounts of Insurance Companies. Separate accounts are subject to certain investment diversification requirements (the "Diversification Rules") of Section 817(h) of the Code and the Treasury Regulations with respect to assets held in such separate accounts. These rules apply to the investments made by separate accounts (such separate accounts are referred to as "segregated asset accounts") that are used to fund benefits under variable life insurance contracts or variable annuities ("Policies") that are "variable contracts" within the meaning of Section 817(d) of the Code, other than "pension plan contracts."

The Investment Manager will use best efforts to diversify the Fund's assets so they are "adequately diversified" within the meaning of Section 817(h) of the Code. For the purposes of satisfying the Diversification Rules, the Investment Manager will use best efforts to ensure that no more than 55% of the value of the assets of the Fund will be invested in the securities of any one issuer, no more than 70% of such value will be invested in the securities of any two issuers; no more than 80% of such value will be invested in the securities of any three issuers; and no more than 90% of such value will be invested in the securities of any four issuers. However, there can be no assurance that the Fund will, at all relevant times, be able to attain such diversification goal or that the Fund's diversification goal will not change due to changing circumstances, including changes in the Code and the regulations promulgated thereunder. If the Investment Manager has reason to believe that the Fund has ceased to meet such diversification requirements, then the Investment Manager will take all reasonable steps to comply with such diversification requirements within the grace period afforded under Treasury Regulation Section 1.817-5 (*i.e.*, within 30 days after the end of each calendar quarter). The consequence of failing to meet such diversification requirements is immediate taxation of income on the contract to Policy Owners who invest in insurance policies held in separate accounts that invest in the Fund. Neither the Fund, nor the General Partner nor the Investment Manager will have any obligation to (i) determine if any U.S. state's diversification requirements or other regulatory requirements applicable to insurance companies or insurance contract separate accounts are applicable to the Fund or to any Limited Partner or (ii) take any steps to facilitate compliance with any such requirements.

The General Partner and the Investment Manager understand that information concerning the consequences of failure to meet the requirements of Section 817(h) of the Code is or will be contained in the offering documents for the Policies.

Under a "look-through" rule established by the Service, if (i) all Interests in the Fund are held by one or more segregated asset accounts of Insurance Companies (other than Interests held by persons listed in §1.817-5(f)(3) of the Treasury Regulations) and (ii) public access to the Interests is available exclusively through the purchase of a variable contract as defined in Section 817(d) of the Code, then the test for diversification is made by looking to the assets held by the Fund. So long as the Fund qualifies for the "look-through" rule, Interests in the Fund will not constitute a single investment for purposes of the Diversification Rules.

In order to qualify as a variable contract under Section 817(d), the contract must be segregated from the insurance company's general assets "pursuant to State law." It is assumed that all Interests of the Fund will satisfy this requirement.

There is a risk that the Service may recharacterize direct or indirect compensation paid to the Investment Manager or allocations to the general partners of the Third Point Funds (or of their master funds, as the case may be) as allocations of Fund profits to the General Partner. If that occurs, the General Partner or the Investment Manager may be viewed as a manager of the Fund that received a return on its Interest that is not computed in the same manner as the return on an Interest held by Limited Partners. In that event, the Limited Partners may not be permitted to look through the Fund to its underlying portfolio of investments for purposes of applying the Section 817(h) diversification requirements and the Limited Partners may not satisfy the Diversification Rules. If the Fund fails to satisfy the look-though requirements of the Diversification Rules, then any Policy based on a segregated asset account that has invested in the Fund may not be treated as a life insurance contract or an annuity contract for federal income tax purposes. For this purpose, a Policy is based on a segregated asset account if amounts received under such Policy, or earnings thereon, are allocated to such segregated asset account. If a Policy is no longer treated as a life insurance contract or an annuity contract, then the owner of the Policy would be subject to current taxation on the income on the Policy for taxable years in which such failure occurs, and thereafter. If the Policy is a life insurance contract under local law, however, then certain amounts paid as death benefits may be treated as amounts paid under a life insurance contract for federal income tax purposes. If the failure to meet the Diversification Rules is shown to be inadvertent, the insurance company that issued the Policy is permitted to bring the segregated asset account into compliance with those rules. In such cases, the Diversification Rules contemplate the payment of a "toll charge" based on the tax that owners of the Policies would have paid if they were treated as receiving the income on the Policies during the period when the account failed to meet the Diversification Rules. Accordingly, compliance with the Diversification Rules, as they may be modified from time to time, is important and will be monitored. Compliance with the Diversification Rules may have the effect of reducing the return of the Fund, as the investments and strategies utilized by the Investment Manager may be different from what the Investment Manager might otherwise believe to be desirable.

In certain circumstances, the owner of a life insurance or annuity contract invested in a separate account may be considered the owner, for federal income tax purposes, of the assets of the separate account under an "investor control" theory, which may lead to such life insurance or annuity contract owner being taxed as if it held the interests in such assets directly. In an example of the "investor control" theory being applied, a case treated the grantor of a trust which that owned a life insurance policy as the owner of the assets in the separate account for tax purposes because of that grantor's control of the investment of the underlying assets. If any Policy Owner were considered the owner, for federal income tax purposes, of the Interests in the Fund under the "investor control" theory, it may lead to increased Service scrutiny into the Fund. Neither the General Partner, nor the Investment Manager, nor the Fund will be responsible to any Limited Partner or Policy Owner for any loss, damage, liability or expense resulting from a violation of the "investor control" theory to the extent such violation is attributable to conduct of any Policy Owner.

See "*Certain Risk Factors – Tax Risks – Tax Consequences Related to Insurance Dedicated Funds*." Policy Owners should consult their own tax advisers regarding the "investor control" theory.

**Allocation of Profits and Losses**

The net capital appreciation or net capital depreciation that is allocated among the Limited Partners to determine their economic interests will likely not be the same as the taxable income or loss that is allocated to them for U.S. federal income tax purposes. A Limited Partner could be allocated net capital depreciation in a year and yet be required to pay tax on the net taxable income allocated to it by the Fund for tax purposes. The Partnership Agreement provides that items of income, deduction, gain, loss or credit actually recognized by the Fund for each Fiscal Year will be allocated for income tax purposes among the Limited Partners in a manner determined by the General Partner, in its discretion, to reasonably reflect the allocation to them of the related items of net capital appreciation and depreciation.

The General Partner has the discretion to specially allocate items of taxable income or gain and taxable deduction or loss to a Limited Partner withdrawing its Interest. Income or gain may be specially allocated to the extent that the withdrawing Partner's capital account exceeds its tax basis capital account (generally, its tax basis in its Interest, computed without adjustments to basis for transactions outside the Fund, but with adjustments to basis for the Partner's share of Fund liabilities). The Service may not accept such an allocation. If there were a successful challenge, the taxable income or gain allocable to the remaining Partners would be increased. Items of deduction or loss may be allocated to a withdrawing Limited Partner on a complete withdrawal from the Fund to the extent that its tax basis in its Interest exceeds the amount to be distributed to it by the Fund in liquidation of its Interest. If the Service does not accept the allocation of deduction or loss, the Fund may be required to make downward adjustments in the tax basis of its assets and, again, the taxable income or gain allocable to the remaining Partners may be increased. In order to effect this provision, a withdrawing Limited Partner may be required to advise the Fund of its basis in the Interest being liquidated.

**Returns; Tax Audits**

The General Partner will decide how to report partnership items on the Fund's tax returns, and will determine which items of cash outlay are to be capitalized or treated as current expenses. In certain cases, the Fund may be required to file a statement with the Service disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Partners are required under the Code to treat the partnership items consistently on their own returns, unless the partner files a notice of the inconsistency with the Service and notifies the General Partner at least 10 days prior to the date such action is taken. Given the uncertainty and complexity of the tax laws, it is possible that the Service may not agree with the manner in which the Fund's items have been reported, and accordingly, an audit of the Fund may result in the disallowance, reallocation or deferral of losses or deductions claimed by the Fund, as well as the acceleration or reallocation of income of the Fund. The audit may also result in transactions that the Fund treated as non-taxable being treated as taxable, or items that the Fund reported as long-term capital gain being treated as ordinary income or short-term capital gain.

If the Service audits the Fund under the BBA Rules, the Fund itself, and not the persons that were Partners of the Fund in the reviewed year, will generally be responsible for paying any "imputed underpayment" of tax resulting from audit adjustments (including interest and penalties) in the adjustment year (unless the Fund makes an election pursuant to Section 6226 of the Code). As a result, under the BBA Rules, Partners in the adjustment year, rather than Partners in the reviewed year under audit, may effectively bear the cost of such adjustments, which would be allocated in a manner the General Partner of the Fund determines to be fair and equitable, taking into account any modifications attributable to Partners permitted under the BBA Rules. A Partner that withdraws or transfers all or a portion of its Interest in the Fund will, however, remain liable for its share of "imputed underpayment" (including interest and penalties) of the Fund relating to the taxable years (or portions thereof) of the Fund before the withdrawal or transfer of such Interest, and the General Partner may (but is not obligated to) require such Partner to pay its share of such adjustments (including any adjustments that relate to the withdrawn or transferred portion of the Interest). It should be noted that the General Partner may not (or may not be able to) require certain Partners that withdrew or transferred all or a portion of its Interest in the Fund to reimburse the Fund for their shares of imputed underpayments (including interest and penalties). Alternatively, the Fund may (but is not obligated to) elect, pursuant to Section 6226 of the Code, to cause any audit adjustments assessed at the Fund level to be assessed against its Partners. If the Fund makes such election, the Partners of the Fund in the reviewed year would be responsible for paying any increase in taxes for the reviewed year and any intervening years resulting from such audit adjustments (including interest and penalties) (unless such Partner is a pass-through entity and makes a valid election to "push out" its share of the adjustments to its partners, members or owners, but there can be no assurance that such a Partner will receive the information necessary for it (or its direct or indirect partners, members or owners that are themselves pass-through entities) to timely make such an election). The General Partner, or a person appointed by the General Partner and any "designated individual" through whom the Partnership Representative that is an entity may act, if applicable, will be the "partnership representative" for purposes of the BBA Rules and will have the sole authority to represent the Fund in respect of tax audits for applicable taxable years. The General Partner has not determined whether or to what extent the election pursuant to Section 6226 of the Code would be appropriate.

The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will generally be borne by the Fund. The cost of any audit of a Partner's tax return will be borne solely by the Partner. The General Partner will not be liable to the Fund or any Partner for any tax position taken by the General Partner with respect to the Fund in good faith.

Each prospective investor is urged to consult its own tax advisor regarding the possible implications of these rules on its investment in the Fund.

**Tax Consequences for a Limited Partner Making Withdrawals**

A Limited Partner receiving a cash payment on a complete withdrawal from the Fund generally will recognize gain or loss to the extent of the difference between the proceeds received by such Limited Partner and such Limited Partner's adjusted tax basis in its Interest. Such gain or loss will generally be capital gain or loss except to the extent such Limited

Partner's distributive share of the Fund's "unrealized receivables" exceeds the Limited Partner's tax basis in such unrealized receivables (as discussed below). Any capital gain or loss will be short-term or long-term depending upon the Limited Partner's holding period for its interest in the Fund.

As described above, the Partnership Agreement provides that the General Partner may specially allocate items of income or gain to a withdrawing Limited Partner to the extent its Capital Account exceeds its tax basis capital account. Such a special allocation may result in the withdrawing Partner recognizing ordinary income or short-term capital gain due to the special allocation instead of long-term capital gain on the withdrawal.

A Limited Partner receiving cash on a distribution or partial withdrawal will recognize gain only if the cash payment exceeds its tax basis in its Interest.

If the Fund were to distribute property to a Limited Partner as a distribution or in a complete or partial withdrawal, the Limited Partner would not recognize gain. In a complete withdrawal, the Partner's basis in its Interest would carry over to the property received. In a distribution or partial withdrawal, the Partner would hold the property received with a basis equal to the lesser of the Partner's basis in its Interest or the Fund's basis in the property. In the latter case, its basis for its Interest would be reduced by the amount of the Fund's basis in the property.

In some circumstances, a distribution of marketable securities by the Fund will be taxed as a distribution of cash rather than as a distribution of property.

In a complete or partial withdrawal, a Limited Partner will recognize ordinary income to the extent its share of the Fund's "unrealized receivables" is reduced. The amount of ordinary income will be the excess of the fair market value of the reduced share of unrealized receivables over the Limited Partner's share of the Fund's basis in such unrealized receivables. Ordinary income can be realized on unrealized receivables, even though no gain (or even a loss) is realized in the withdrawal. Unrealized receivables include accrued but untaxed market discount, if any, on securities held by the Fund.

**Taxation of Fund Transactions**

*In General*. The Fund expects that its gains and losses from its securities transactions generally will be capital gains and capital losses. These gains and losses generally may be long-term or short-term usually depending on whether the Fund held a particular investment position for more than a year as opposed to a year or less. In some cases, long-term or short-term characterization may be determined by the nature of the transaction. The Fund may, however, realize ordinary income from dividends or interest on securities held by the Fund. Income or loss from certain other investments or transactions, including payables or receivables denominated in a non-U.S. currency, non-U.S. currency forward contracts, certain non-U.S. currency options or futures, swaps and certain other activities may be subject to special rules and treated as ordinary income or loss under Section 988 of the Code, as described below. Certain of the Fund's investment practices are subject to special and complex federal income tax provisions (some of which are described below), including rules relating to short sales, to constructive sales,

to so-called "straddle" and "wash sale" transactions and to section 1256 contracts, that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed long-term capital gains or "qualified dividend income" into higher taxed short-term capital gains or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause the Fund to recognize income or gain without a corresponding receipt of cash and (v) otherwise adversely alter the timing of realization and characterization of certain Fund investments. Moreover, the straddle rules and short sale rules may require the capitalization of certain related expenses of the Fund.

*Section 1256 Contracts*. In the case of the Fund's investment in so-called "section 1256 contracts," such as futures and most options traded on U.S. exchanges and certain foreign currency contracts, that are held by the Fund at year-end are required to be marked to their market value, and any unrealized gain or loss on those positions will be included in the Fund's income as if each position had been sold for its fair market value at the end of the taxable year. The resulting gain or loss on each section 1256 contract is characterized as 60% long-term capital gain or loss and 40% short-term capital gain or loss regardless of how long the position was held by the Fund.

Taxpayers are subject to significant limitations on the deductibility of capital losses. Accordingly, the Fund could suffer significant capital losses and a Limited Partner could still be required to pay taxes on such Limited Partner's share of the Fund's interest income and other ordinary income.

*Original Issue Discount and Market Discount*. The Fund may realize ordinary income from accruals of interest on securities. The Fund may hold debt obligations with "original issue discount." In such case, the Fund would be required to include amounts in taxable income on a current basis even though receipt of such amounts may occur in a subsequent year. Gain derived by the Fund from the disposition of any market discount obligations (*i.e.*, obligations purchased other than at original issue, where the stated redemption price at maturity of the obligations exceeds their purchase price by at least a statutory *de minimis* amount) held by the Fund, as well as certain other payments, generally will be taxed as ordinary income to the extent of the accrued market discount on the obligations, unless the Fund elects to include the market discount in income as it accrues.

*Section 988 Transactions*. To the extent that the Fund's investments are made in securities denominated in a non-U.S. currency, gain or loss realized by the Fund frequently will be affected by the fluctuation in the value of such non-U.S. currencies relative to the value of the dollar. Generally, gains or losses realized by the Fund with respect to the Fund's investments in common stock of non-U.S. issuers will be taxed as capital gains or losses at the time of the disposition of such stock. However, under Section 988 of the Code, gains and losses realized by the Fund on the acquisition and disposition of non-U.S. currency (*e.g.*, the purchase of non-U.S. currency and subsequent use of the currency to acquire stock) generally will be treated as ordinary income or loss. Similarly, gains or losses attributable to fluctuations in exchange rates that occur between the time the Fund accrues interest or other receivables or accrues expenses or other liabilities denominated in a non-U.S. currency and the time the Fund actually collects such receivables or pays such liabilities may be treated as ordinary income or ordinary loss. In

addition, the Fund may elect, on a case-by-case basis, to treat any gain or loss as a capital gain or loss, as the case may be, on so-called "section 988 transactions," which are generally transactions in which the amount paid or received is in the form of a non-U.S. currency.

*Swap Contracts*. As a result of entering into swap contracts, the Fund may make or receive periodic net payments. The Fund may also make or receive a payment when a swap is terminated prior to maturity through an assignment of the swap or other closing transaction. Periodic net payments will generally constitute ordinary income or deductions, while termination of a swap will generally result in capital gain or loss (which will be a long-term capital gain or loss if the Fund has been a party to the swap for more than one year). With respect to certain types of swaps, the Fund may be required to currently recognize income or loss with respect to future payments on such swaps or may elect under certain circumstances to mark such swaps to market annually for tax purposes as ordinary income or loss.

*Short Sales*. Gain or loss from a short sale of property is generally considered as capital gain or loss to the extent that the property used to close the short sale constitutes a capital asset in the Fund's hands. Except with respect to certain situations where the property used by the Fund to close a short sale has a long-term holding period on the date of the short sale, special rules would generally treat the gains on short sales as short-term capital gains. These rules may also terminate the running of the holding period of "substantially identical property" held by the Fund. Moreover, a loss on a short sale will be treated as a long-term capital loss if, on the date of the short sale, "substantially identical property" has been held by the Fund for more than one year.

*Investments in Non-U.S. Corporations*. If the Fund invests in the equity of a passive foreign investment company (a "PFIC") (including a Third Point Fund that is classified as a non-U.S. corporation for U.S. federal income tax purposes), there could be adverse tax consequences to the Limited Partners of the Fund. Generally, a non-U.S. corporation is treated as a PFIC if either 75% or more of its gross income is passive income or 50% or more of its assets produce passive income or are held for the production of passive income.

In general, distributions received by a U.S. shareholder from a PFIC, to the extent they exceed 125% of the average distributions received in the preceding three years, and gain recognized when an interest in the PFIC is sold, would be subject to a special taxing regime. Such excess distributions and gains would be allocated ratably over a U.S. shareholder's holding period for the interests; the amount allocated to the current year would be taxed as ordinary income; and the amount allocated to a previous year would be taxable at the highest rate of tax in effect for the U.S. shareholder for that year. An interest charge also would be imposed. Limited Partners that are U.S. persons for U.S. federal income tax purposes would be required to include in their income, for U.S. federal income tax purposes, their share of such excess distributions, gains and interest charges if the Fund holds interests in a PFIC. Such adverse tax consequences could be mitigated if the Fund were to make a mark-to-market election under the PFIC rules or make a qualified electing fund election (a "QEF Election") with respect to such PFIC. The Fund would not be able to make a QEF Election with respect to a PFIC unless the PFIC provides certain information necessary to make such election. There can be no assurance that the Fund will be able to obtain such information from a PFIC in which the Fund invests. In addition, the Fund may invest in "controlled foreign corporations" as defined in Section 957 of the Code,

which under proposed and final Treasury Regulations may require Limited Partners that are treated as "United States shareholders" under applicable rules to include their allocable share of "Subpart F" income and "global intangible low-taxed income."

If the Fund elects mark-to-market treatment with respect to an interest in a PFIC, with such election being available only if the interest was "marketable stock" as defined under the PFIC rules at the time of such election, then the Limited Partners of the Fund would recognize as gross income for the taxable year their share of any unrealized appreciation in the interest in the PFIC held by the Fund as of the end of the year. If the Fund makes a QEF Election, a Limited Partner will generally be required to include currently its *pro rata* share of the PFIC's ordinary earnings and net capital gain. If the Fund later receives a distribution of that income, that distribution will be tax-free. Any income imputed to the Fund because of a mark-to-market or QEF Election will be includible in the Limited Partner's U.S. federal taxable income.

*Effects of Straddle Rules on Securities Positions*. The Service may treat certain positions in securities held (directly or indirectly) by a Limited Partner and the Limited Partner's indirect interest in similar securities held by the Fund as "straddles" for U.S. federal income tax purposes. The application of the "straddle" rules in such a case could affect a Limited Partner's holding period for the securities involved and may defer the recognition of losses with respect to such securities.

*Wash Sales*. Under the "wash sale" rules, a Limited Partner may not recognize a loss from the sale of a security where a substantially identical security is (or has been) acquired, or the Limited Partner enters into a contract or option to purchase such substantially identical security, within the period beginning 30 days before and ending 30 days after the sale.

*Constructive Sales*. If a taxpayer is treated as having made a constructive sale of an "appreciated financial position," gain (but not loss) must be recognized as if such property had been sold, assigned or otherwise terminated at its fair market value on the date of the constructive sale (and any gain shall be taken into account for the taxable year which includes such date). For this purpose, an appreciated financial position is defined generally to mean any position (defined as any interest, including a futures or forward contract, short sale or option) with respect to stocks, debt instruments or partnership interests where there would be gain if such position is sold, assigned or otherwise terminated at its fair market value. The term appreciated financial position, however, does not apply generally to a position with respect to certain debt instruments or a position which is marked to market.

In certain situations, a taxpayer may be treated as making a constructive sale of an "appreciated financial position" if the taxpayer (or, in certain circumstances, a related person) enters into the following types of transactions: (i) a short sale of the same or substantially identical property, (ii) an offsetting notional principal contract with respect to the same or substantially identical property, (iii) a futures or forward contract to deliver the same or substantially identical property, (iv) a short sale, an offsetting notional principal contract or a forward or futures contract and acquires the same property as the underlying property for the position, or (v) to the extent prescribed by the Treasury Regulations, other transactions having substantially the same effect as the four types of transactions listed above. A constructive sale,

however, will not arise with respect to a contract for the sale of any stock, debt instrument or partnership interest which is not a marketable security (as defined in Section 453(f) of the Code) if the contract settles within 1 year after the date such contract is entered into. Certain other exceptions also apply.

It is possible that the Fund (directly or indirectly) may enter into one or more transactions to which the preceding constructive sale rules apply. In this event, the timing and character of certain gains and losses realized by the Fund could be affected.

*Lower Quality Debt*. The Fund may invest in non-investment grade debt obligations. Investments in debt obligations that are at risk of or in default present special tax issues. Tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and income, and whether exchanges of debt obligations in a workout context are taxable. The Fund will address these and other issues, in the event that the Fund invests in such securities, in order to seek to ensure that it accounts for such securities properly. It is nevertheless possible that the Service could disagree with the Fund's tax accounting treatment of these investments in some cases and disallow or defer claimed losses or re-characterize as taxable income or gain amounts treated by the Fund as returns of principal or make other tax re-characterizations.

*Debt Restructurings*. There are a number of uncertainties in the U.S. federal income tax laws relating to debt restructurings. In general, a "significant modification" of a debt obligation held by the Fund could be treated as a taxable event, and any resulting gain or loss may be measured by the difference between the principal amount (or fair market value in certain circumstances) of the debt after the modification and the Fund's tax basis in such debt before the modification. Other than for certain "safe harbor" modifications specified in the Treasury Regulations, however, the determination of whether a modification is "significant" is based on all of the facts and circumstances. Therefore, it is possible that the Service could take the position that the restructuring of a debt obligation acquired by the Fund at a discount amounts to a "significant modification" that should be treated as a taxable event even if the Fund did not so treat the restructuring on its information return. Even then, whether such events result in recognition of gain (and accrued market discount) will depend upon whether the securities surrendered and those received in the exchange constitute "securities" for U.S. federal income tax purposes, which is a legal issue about which there is very little authority and which is also primarily a question of fact.

**Limitations on Deductions of Business Interest**

Limited Partners may be subject to limitation on the deduction of "business interest" (*i.e.*, interest paid or accrued on indebtedness allocable to a trade or business), which does not include "investment interest" (subject to the discussion in the following paragraph). Investment interest includes short sale expenses and interest on "indebtedness incurred or continued to purchase or carry property held for investment." In general, "business interest expense" (*i.e.*, business interest in excess of a Limited Partner's business interest income for the taxable year) is not deductible to the extent such interest exceeds 30% of a taxpayer's "adjusted

taxable income" (as defined in Section 163(j) of the Code). With respect to pass-through entities (including the Fund), the deduction for business interest is generally determined at the level of the entity incurring the expense and the amount deductible by the beneficial owner of such entity is generally calculated based on the entity's adjusted taxable income. Business interest not allowed as a deduction by a pass-through entity is allocated to each entity owner that materially participates in the activities of the Fund and may be deducted in any future year against excess taxable income attributed by the entity to the Limited Partner for such future year. Furthermore, under recently finalized Treasury Regulations generally applicable beginning in 2022, business interest expense incurred by partnerships and allocable to direct partners that are C corporations is subject to the business interest expense limitation at the partnership level. Each Limited Partner is urged to consult with its own tax advisors with respect to the application of the business interest expense limitation rules to its tax situation.

Additionally, under recently released final Treasury Regulations, investment interest allocated to a corporate member of a pass-through entity is generally treated, in the hands of the corporate member, as business interest expense incurred by the corporate member from a business of its own, and accordingly would not be deductible to the extent such allocable interest exceeds 30% of the corporate taxpayer's adjusted taxable income. Thus, any interest expense of the Fund allocated to a corporate direct or indirect Partner may be subject to such limitation.

**Certain Filing Requirements; Tax Shelter Filings**

Limited Partners are urged to consult with their tax advisors as to their obligations to file reports and returns with the Service with respect to their transactions in Interests and their investment in the Fund. Among the forms that may be required to be filed are Form 8865, Form 926 and Form 8621 (with respect to investments in a passive foreign investment company).

The Fund does not intend to invest in tax shelters. However, as part of its campaign against abusive tax shelter activity, the U.S. Treasury Department has adopted regulations that require special filings and record retention for certain transactions that are not conventionally regarded as tax shelters. Depending upon the nature of transactions effected by the Fund that result in losses, when the Fund files its tax return it may be required to make a special report of its transactions to the Service on Form 8886. These reporting requirements may also apply to Limited Partners. For example, individuals or trusts that invest in the Fund directly or through partnerships or S corporations and who are allocated $50,000 or more of loss from a section 988 transaction (*i.e.*, a foreign currency transaction) will be required to file Form 8886 when they file their U.S. federal income tax returns for the year in which the loss is allocated to them. Also, a Limited Partner who is an individual, an S corporation or a trust (or a partnership with one of the foregoing as a partner), and whose allocable share of Fund losses (other than a section 988 transaction) equals or exceeds $2 million in any year or an aggregate of $4 million in any combination of taxable years, will also be required to file an IRS Form 8886 with its tax return. For corporate Limited Partners (excluding S corporations), the thresholds are $10 million in any one year or $20 million over any combination of taxable years.

If the Fund effects a transaction that it believes is reportable, it will advise the affected investors. An investor should consult its own tax advisers about its filing obligations with respect to its investment in the Fund and should keep a copy of this Memorandum and other

information supplied to it in connection with its investment, as it may be required to report the name and address of each person to whom it paid a fee and who either promoted, solicited or recommended its investment in the Fund or to whom it paid a fee for tax advice regarding the investment. Certain tax-exempt entities and their managers may be subject to excise tax if they are parties to certain reportable transactions.

If investments in the Fund or the Fund's transactions are reportable transactions, the General Partner is required to maintain records, including investor lists containing identifying information, and to furnish those records to the Service upon demand. The General Partner may also be required to file an information return with the Service with respect to a reportable transaction.

There are significant penalties imposed on both an investor and the General Partner for failing to comply with the filing and record keeping requirements. The General Partner intends to comply with any applicable disclosure requirements and to maintain any required investor lists and other records.

Sections 1471 through 1474 of the Code (together with (i) any Treasury Regulations promulgated thereunder or official administrative interpretations thereof; (ii) intergovernmental agreements entered in respect of the foregoing; and (iii) legislation, regulations or guidance enacted in non-U.S. jurisdictions that seek to implement the foregoing, "U.S. FATCA") impose a withholding tax of 30% on certain U.S. source payments made to foreign financial institutions, their affiliates and certain other non-U.S. entities, unless the payee provides to the payer an executed Form W-8 or W-9, as applicable (and any other information necessary) indicating that such payee (or its direct or indirect owners, as the case may be) is not subject to withholding under U.S. FATCA and otherwise agrees to comply with reporting requirements for non-U.S. accounts owned by U.S. individuals or non-U.S. entities with U.S. owners. Prospective investors are urged to consult their own tax advisors regarding the possible implications of these laws on their investments in the Fund.

**Withholding Taxes**

Amounts the Fund receives from its investment in certain of the Third Point Funds that are treated as non-U.S. corporations for U.S. federal income tax purposes may be reduced because such Third Point Funds are subject to U.S. federal withholding tax at a 30% rate on certain income, including dividend income, derived from U.S. securities. Generally, capital gains and qualified interest income (such as "portfolio interest" within the meaning of Section 871(h) of the Code) recognized by such Third Point Funds will not be subject to U.S. federal withholding tax. Although capital gains from the sale of securities should generally not be subject to U.S. federal withholding tax, the sale of certain securities classified as United States real property interests within the meaning of Section 897 of the Code may be subject to United States withholding and net income taxes.

**Foreign Taxes**

Amounts received by the Fund from stocks and securities issued by an entity formed under the laws of a foreign country or doing business in a foreign country may be subject

to withholding taxes and other taxes imposed by such countries. The Fund may also be subject to other withholding and/or capital gains taxes in foreign countries in which it purchases and sells securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict the rate of foreign tax the Fund will pay in advance since the amount of the Fund's assets (if any) to be invested in various countries is not known.

The Limited Partners will be informed by the Fund as to their proportionate share of the foreign taxes paid by the Fund. A Limited Partner generally will be entitled to claim either a credit (subject, however, to various limitations on foreign tax credits) or a deduction (although the deductibility of foreign taxes are subject to substantial limitations for taxable years 2018 through 2025) for its share of foreign income taxes in computing its U.S. federal income taxes.

The Fund may, but is not required to, form one or more special purpose vehicles organized in certain non-U.S. jurisdictions to hold certain investments in order to minimize non-U.S. withholding and other taxes with respect to such investments. There can be no guarantee that taxing authorities in non-U.S. jurisdictions will not challenge such structures. Any non-U.S. withholding or other taxes that apply to an investment will reduce the rate of return on such investment.

**State and Local Taxation**

In addition to the U.S. federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which the Fund acquires an interest may conduct business in a jurisdiction that will subject a Limited Partner's share of the Fund's income from that business to tax in that jurisdiction and a Limited Partner may be required to file a tax return in such jurisdiction. Prospective investors are urged to consult their tax advisers with respect to the availability of a credit for such tax in the jurisdiction in which that Limited Partner is a resident. The foregoing discussion is not intended as a substitute for careful tax planning, particularly since certain of the income tax consequences of an investment in the Fund may not be the same for all taxpayers. Prospective investors are urged to consult with their own tax advisors as to their specific tax consequences under the tax laws that are applicable to them.

## MONEY LAUNDERING PREVENTION

The Fund expects to become subject to U.S. anti-money laundering regulations in the future. Applicants are advised that the Fund and its agents and service providers may request information from applicants and from Limited Partners from time to time in order to establish and verify the identities of applicants and Limited Partners. Individuals may be asked to provide personal information, including (but not limited to) name, address, date of birth and Social Security number, and to show certified copies of government-issued identification documents such as passports or driver's licenses. Additional verification measures may be undertaken in some cases.

By subscribing, applicants consent to the disclosure by the Fund and the Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the United States and in other jurisdictions.

The Fund, the General Partner, the Investment Manager, the Administrator and other service providers may seek to verify the identity of an applicant, to ensure that the applicant is not named on one of the prohibited persons lists maintained by the U.S. Treasury Department, to ascertain the source of an applicant's funds and to obtain other information about an applicant. Each applicant will be required to agree in the subscription agreement that it will provide additional information or take such other actions as may be necessary or advisable in the judgment of the Administrator or the General Partner in order to ensure the Fund's compliance with anti-money laundering laws or regulations. In the event of delay or failure by the applicant to provide any requested information, the General Partner may refuse to accept the application and the subscription monies relating thereto. Moreover, if an applicant has become a Limited Partner, any such delay or failure may cause the Fund to require the Limited Partner to withdraw from the Fund. Under certain circumstances, the Fund may be required to "freeze" (*i.e.*, suspend the right to withdraw) a Limited Partner's Capital Account. A subscription to the Fund may be rejected in circumstances where the Fund or one of its agents believes that accepting the subscription would be unlawful or for any other reason.

The Fund or one of its agents may seek to monitor communications, investments and withdrawals, and other payments involving a Limited Partner and may report any suspicious activity to appropriate authorities. The Fund or one of its agents may be required to exercise special scrutiny when an applicant employs certain kinds of financial institutions or financial institutions from certain countries or when an applicant is a senior governmental or military official or a senior executive of a government-owned business. Limited Partners may encounter delays in effecting withdrawals or partial withdrawals or in receiving distributions or other payments if information requested by the Fund or its agents is not received in a timely manner. United States anti-money laundering regulations are developing and evolving and the Fund or one of its agents may be required to implement additional anti-money laundering measures from time to time, and it is not known what, if any, additional obligations may be placed on the General Partner, the Investment Manager, the Fund or the Limited Partners by those measures.

The Fund and the General Partner reserve the right to require any payment or distribution to a Limited Partner to be paid into the account from which the Limited Partner's subscription funds originated in the event that the Fund or the General Partner suspects or is

advised that the payment to another account as directed by such Limited Partner could result in money laundering, a violation of any anti-money laundering law or regulation or other unlawful activity or the Fund or the General Partner considers such procedure to be necessary or appropriate to ensure the compliance by the Fund or the General Partner with anti-money laundering laws or regulations.

# APPENDIX A

## CERTAIN OFFERING NOTICES[2]

### NOTICE TO PROSPECTIVE INVESTORS GENERALLY

The distribution of this Memorandum and/or the offer and sale of the Interests in certain jurisdictions or to certain investors may (in addition to those restrictions under the laws of various jurisdictions described herein) be restricted or prohibited by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence and domicile with respect to the acquisition, holding or disposition of the Interests.

### NOTICE TO RESIDENTS OF FLORIDA

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT. IF SALES OF THE SECURITIES ARE MADE TO FIVE (5) OR MORE INVESTORS IN FLORIDA, ANY FLORIDA INVESTOR, OTHER THAN AN INSTITUTIONAL INVESTOR DESCRIBED IN SECTION 517.061(7), FLA STATUTES, MAY, AT HIS OPTION, VOID ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE (3) DAYS AFTER HE (A) FIRST TENDERS OR PAYS TO THE FUND, AN AGENT OF THE FUND OR AN ESCROW AGENT THE CONSIDERATION REQUIRED HEREUNDER OR (B) OR THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE INVESTOR, WHICHEVER OCCURS LATER.

### FOR OTHER RESIDENTS OF THE U.S.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. The Interests have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

The Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

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[2] The Fund believes the following legends are applicable and accurate; such legends have not been prepared, verified or approved by counsel to the Fund.

**EXECUTION VERSION**
**HIGHLY CONFIDENTIAL & TRADE SECRET**

# THIRD POINT INSURANCE DEDICATED FUND LP

FIFTH AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

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THIS FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, dated and effective as of December 16, 2021 of THIRD POINT INSURANCE DEDICATED FUND LP, a Delaware limited partnership (the "Partnership"), by and between Third Point Advisors L.L.C., a Delaware limited liability company, as the general partner (the "General Partner") and the Persons listed on the books and records of the Partnership as limited partners (collectively referred to as the "Limited Partners" and, together with the General Partner, the "Partners").

WHEREAS, the parties hereto desire to amend and restate the Fourth Amended and Restated Limited Partnership Agreement, dated and effective as of April 3, 2020, in its entirety and to enter into this Agreement.

NOW THEREFORE, the Partners agree as follows:

## ARTICLE I

## Definitions

The following terms shall have the following meanings when used in this Agreement:

1.1. "1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

1.2. "1940 Act" shall mean the Investment Company Act of 1940, as amended from time to time.

1.3. "Act" shall mean the Delaware Revised Uniform Limited Partnership Act, Del. Code tit. 6, Section 17-101, et seq., as amended from time to time.

1.4. "Administrator" shall mean International Fund Services (N.A.), L.L.C., or any other firm or firms as the General Partner may, in its discretion, select, at the expense of the Partnership, for the purpose of maintaining the Partnership's financial, accounting and corporate books and records, anti-money laundering screening, and performing administrative and clerical services (which may include back-office and middle-office services) on behalf of the Partnership, including tax and accounting functions, and acting as the registrar, transfer agent and withdrawal agent for the Interests.

1.5. "Advisers Act" shall mean the Investment Advisers Act of 1940, as amended from time to time.

1.6. "Affiliate" shall mean, with respect to another Person, a Person controlling, controlled by, or under common control with such other Person.

1.7. "Affiliated Fund" shall mean any account, fund or investment vehicle (other than the Partnership) currently sponsored or managed by, or that in the future may be sponsored or managed by, the General Partner and/or the Investment Manager or any of their Affiliates, but excluding any family office, investment vehicle and/or account, in each case,

through which the ultimate beneficial owners of the General Partner and the Investment Manager (either directly or indirectly through estate planning vehicles or otherwise) make personal investments.

1.8. "Agreement" shall mean this Fifth Amended and Restated Limited Partnership Agreement, as originally executed and as amended, modified, supplemented or restated from time to time.

1.9. "BBA Rules" shall mean Subchapter C of Chapter 63 of the Code (Sections 6221 et seq.), as enacted by the Bipartisan Budget Act of 2015, as amended from time to time, and any Treasury Regulations and other guidance promulgated thereunder, and any similar state or local legislation, regulations or guidance.

1.10. "Beginning Value" shall mean the value of the Partnership's Net Assets at the beginning of such Fiscal Period after deduction of the Management Fee payable as of the beginning of such Fiscal Period.

1.11. "Business Day" shall mean any day, other than Saturday or Sunday, on which the New York Stock Exchange is open for trading and the banks in New York are open for business or such other day as the General Partner may determine.

1.12. "Capital Account" shall mean the account described in Section 4.1.1 hereof.

1.13. "Capital Contributions" shall have the meaning as set forth in Section 3.1.3 hereof.

1.14. "Certificate of Limited Partnership" shall have the meaning as set forth in Section 2.2 hereof.

1.15. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations issued thereunder.

1.16. "Confidential Material" shall mean all information (oral or written) concerning the business and affairs of the Partnership, the General Partner, the Investment Manager, or any of their respective Affiliates, which information the General Partner, in its discretion, reasonably believes to be in the nature of trade secrets or any other information the disclosure of which the General Partner, in its discretion, believes is not in the best interests of the Partnership, the General Partner, the Investment Manager, or any of their respective Affiliates or their respective businesses, or could damage the Partnership, the General Partner, the Investment Manager, or any of their respective Affiliates or their respective businesses, or which the Partnership, the General Partner, the Investment Manager or any of their respective Affiliates are required by law or agreement with a third party to keep confidential, including any information relating to the Partnership's financials, investment strategy (*e.g.*, portfolio positions, trades and contemplated trades), valuations, the names and addresses of each of the Partners, their contact information and their initial and subsequent Capital Contributions and any details regarding any arrangement the Partnership may have with any Persons (including Other Agreements). Any and all notes, analyses, compilations, forecasts, studies or other documents

prepared by a Limited Partner or its Representatives that contain, reflect or are based on any of the foregoing shall be considered Confidential Material.

1.17. "Ending Value" shall mean the value of the Partnership's Net Assets at the end of such Fiscal Period before deductions for withdrawals or distributions, if any.

1.18. "Entity Taxes" shall mean any taxes (including any interest, penalties or additions to tax imposed in connection therewith or with respect thereto) imposed under the BBA Rules.

1.19. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.20. "Excess Interests" shall have the meaning as set forth in Section 3.6.1 hereof.

1.21. "Fair Value" shall mean, with respect to any assets and liabilities held by the Partnership, as of any time of determination hereunder, the value determined pursuant to Section 4.2.

1.22. "Fiscal Period" shall mean the period beginning on the day immediately succeeding the last day of the immediately preceding Fiscal Period (or, in the case of the Partnership's first Fiscal Period, the date of this Agreement) and ending on the soonest occurring of the following:

1.23.1. March 31, June 30, September 30 or December 31 of the Fiscal Year;

1.23.2. The day immediately preceding the day on which a new Limited Partner is admitted to the Partnership;

1.23.3. The day immediately preceding the day on which a Partner makes an additional Capital Contribution to the Partner's Capital Account;

1.23.4. The day as of which there is a withdrawal from a Partner's Capital Account;

1.23.5. The date of final winding up of the Partnership in accordance with Section 9.1 of this Agreement; and

1.23.6. Such other date as the General Partner may determine.

1.23. "Fiscal Year" shall mean the fiscal year of the Partnership, which shall be the calendar year unless otherwise determined by the General Partner.

1.24. "Fixed Income Investments" shall mean various fixed income securities, including, among other fixed income securities, both short-term and long-term Treasury notes, Treasury bills and Treasury bonds.

1.25. "Former Partner" shall mean each such Person as hereafter from time to time ceasing to be a Partner, whether voluntarily or otherwise, in accordance with the terms of this Agreement.

1.26. "Fund-Level Gate" shall have the meaning as set forth in Section 3.6.1 hereof.

1.27. "GAAP" shall mean U.S. generally accepted accounting principles, in effect from time to time.

1.28. "General Partner" shall mean Third Point Advisors L.L.C., a limited liability company formed under the laws of Delaware, and any additional or substitute general partner admitted pursuant to Section 6.2 or Section 6.8 of this Agreement.

1.29. "GP Transaction" shall have the meaning as set forth in Section 8.4 hereof.

1.30. "Incentive Fee" shall have the meaning as set forth in Section 4.1.2.2 hereof.

1.31. "Indemnified Losses" shall have the meaning as set forth in Section 6.5.1 hereof.

1.32. "Indemnified Person" shall have the meaning as set forth in Section 6.5.1 hereof.

1.33. "Initial Capital Contribution" shall have the meaning as set forth in Section 3.1.1 hereof.

1.34. "Insurance Companies" shall have the meaning as set forth in Section 1.42 hereof.

1.35. "Interests" shall mean limited partner interests of the Partnership.

1.36. "Interim Period" shall have the meaning as set forth in Section 6.9 hereof.

1.37. "Investment Management Agreement" shall mean the Fourth Amended and Restated Investment Management Agreement between the Investment Manager and the Partnership, dated as of December 16, 2021, as amended, modified, supplemented or restated from time to time, pursuant to which the Investment Manager shall provide investment management services to the Partnership.

1.38. "Investment Manager" shall mean Third Point LLC, a limited liability company organized under the laws of the State of Delaware, and any successor investment manager appointed pursuant to the provisions of the Investment Management Agreement.

1.39. "Investments" shall mean the Partnership's investments in the Third Point Funds and in the Fixed Income Investments, taken together.

1.40. "Key Person Event" shall have the meaning as set forth in Section 6.9 hereof.

1.41. "Key Person Withdrawal Date" shall have the meaning as set forth in Section 6.9 hereof.

1.42. "Limited Partners" shall have the meaning as set forth in the Preamble, which, for the avoidance of doubt, shall be limited to (a) "insurance companies" within the meaning of Section 816(a) of the Code and Section 2(a)(13) of the 1933 Act ("Insurance Companies"); and (b) partnerships, limited liability companies, trusts or other pass-through entities whose underlying beneficial owners are comprised solely of Insurance Companies, except as permitted by Treasury Regulation Section 1.817-5(f)(3); provided, that (i) any such Insurance Company maintains "variable contracts," as defined in Section 817(d) of the Code, in which all or part of the amounts received under the contract must be segregated from the general asset accounts of the insurance company pursuant to U.S. Federal or state law or the law of any other jurisdiction ("Segregated Accounts"); and (ii) the Insurance Company invests (directly or indirectly) only assets held in the Segregated Account or Segregated Accounts in the Partnership.

1.43. "Loss Recovery Account" shall have the meaning as set forth in Section 4.1.2.4 hereof.

1.44. "Loss Recovery Amount" shall mean any positive balance in a Loss Recovery Account.

1.45. "Majority-in-Interest" shall mean, as of any date of determination, the Limited Partners that have in excess of 50% of the Partnership Percentages of the Limited Partners that are entitled to consent on a matter pursuant to the terms of this Agreement.

1.46. "Management Fee" shall have the meaning as set forth in Section 8.3.1 hereof.

1.47. "Managing Member" shall mean the member or members of the General Partner or the Investment Manager designated by all the members thereof, pursuant to their respective limited liability company agreements as in effect from time to time, to manage the business and affairs of the General Partner and the Investment Manager, respectively.

1.48. "Memorandum Account" shall have the meaning as set forth in Section 4.1.2.8 hereof.

1.49. "Net Assets" shall mean the excess of the Partnership's assets over its liabilities at Fair Value.

1.50. "Net Capital Appreciation" shall mean the excess, if any, of the Ending Value over the Beginning Value.

1.51. "Net Capital Depreciation" shall mean the excess, if any, of the Beginning Value over the Ending Value.

1.52. "Net Decrease" shall mean for each Limited Partner the excess, if any, of (a) the Net Capital Depreciation, if any, allocated to the Limited Partner's Capital Account for such period pursuant to Section 4.1.2, over (b) the Net Capital Appreciation, if any, allocated to the Limited Partner's Capital Account for such period pursuant to Section 4.1.2.

1.53. "Net Increase" shall mean for each Limited Partner the excess, if any, of (a) the Net Capital Appreciation, if any, allocated to the Limited Partner's Capital Account for such period pursuant to Section 4.1.2, over (b) the Net Capital Depreciation, if any, allocated to the Limited Partner's Capital Account for such period pursuant to Section 4.1.2.

1.54. "Net Invested Amounts" shall mean, with respect to the Partnership, the highest net asset value of the Partnership's investment, in the aggregate, in the TP Funds as of the first day of any month; provided, that at any time the Partnership makes a withdrawal (or redemption) from one or more of the TP Funds (but not including, for the avoidance of doubt, a withdrawal (or redemption) from one or more TP Funds and subsequent subscription for the full amount of such withdrawal (or redemption) to one or more TP Funds for rebalancing, regulatory, diversification or similar purposes), the Net Invested Amounts is reset to the highest net asset value of the Partnership's investment in the TP Funds as of the first day of any month starting on the date after such withdrawal (or redemption).

1.55. "Nonaffiliated Limited Partners" shall mean Limited Partners that are not Affiliates of the General Partner.

1.56. "Notice" shall mean any notice, offer, correspondence, consent or other communication between and among the Partners under or pursuant to the terms of this Agreement.

1.57. "Objection Period" shall have the meaning as set forth in Section 10.1.2 hereof.

1.58. "Other Agreements" shall mean side letters or similar separate written agreements, the provisions of which may modify the terms of this Agreement, including any agreement with a Limited Partner that provides for special or more favorable rights.

1.59. "Partners" shall have the meaning as set forth in the Preamble.

1.60. "Partnership" shall have the meaning as set forth in the Preamble.

1.61. "Partnership Percentage" shall mean a percentage established for each Partner on the Partnership's books as of the first day of each Fiscal Period. The Partnership Percentage of each Partner for a Fiscal Period shall be determined by dividing the amount of the Partner's Capital Account as of the beginning of the Fiscal Period by the sum of all of the Partners' Capital Accounts as of the beginning of the Fiscal Period. The sum of the Partnership Percentages for each Fiscal Period shall equal 100%.

1.62. "Partnership Representative" shall mean for any relevant taxable year of the Partnership to which the BBA Rules apply, the General Partner acting in the capacity of the "partnership representative" (as such term is defined under the BBA Rules) or such other Person

as may be so appointed by the General Partner and any "designated individual" through whom the Partnership Representative that is an entity may act, if applicable.

1.63. "Person" shall mean a natural person, partnership, limited liability company, corporation, unincorporated association, joint venture, trust, state or any other entity or any governmental agency or political subdivision thereof.

1.64. "Proceedings" shall have the meaning as set forth in Section 6.5.2 hereof.

1.65. "Purchase Price" shall have the meaning as set forth in Section 4.1.2.8 hereof.

1.66. "Quarterly Liquidity Interests" shall have the meaning as set forth in Section 2.7.2 hereof.

1.67. "Reduced Incentive Fee" shall have the meaning as set forth in Section 4.1.2.3 hereof.

1.68. "Representatives" shall mean a Limited Partner's directors, officers, employees, advisers, consultants, partners, members, Affiliates or agents, or any Affiliates of the foregoing.

1.69. "Security" or "Securities" shall mean Fixed Income Investments, capital stock, depositary receipts, shares of investment companies and mutual funds of all types, currencies, preorganization certificates and subscriptions, interests in REITs, swaps, warrants, bonds, notes, debentures (whether subordinated, convertible or otherwise), commercial paper, certificates of deposit, bankers' acceptances, trade acceptances, contract and other claims, executory contracts, participations therein, trust receipts, obligations of the United States, any state thereof, non-U.S. governments and instrumentalities of any of them, shares of beneficial interest, partnership interests and other securities of whatever kind or nature of any Person (including shares and interests in the Third Point Funds), whether or not publicly traded or readily marketable, loans, credit paper, accounts and notes receivable and payable held by trade or other creditors, any interest in any security, or any rights and options relating thereto, including put and call options and any combination thereof (written by the Partnership or others), and commodities and commodity contracts, including futures contracts and options thereon.

1.70. "Segregated Accounts" shall have the meaning as set forth in Section 1.42 hereof.

1.71. "Special Purpose Vehicle" shall have the meaning as set forth in Section 6.1.3 hereof.

1.72. "Subscription Agreement" shall mean the subscription agreement (including any schedule, exhibit or appendix thereto and any investor questionnaire attached to such subscription agreement as completed by each Limited Partner, together with any other information, representations, warranties and documentation provided from time to time by the Limited Partner) between each Limited Partner and the Partnership pursuant to which such Limited Partner has subscribed for and purchased Interests.

1.73. "Tax Matters Partner" shall mean for any taxable year of the Partnership subject to the TEFRA Rules, the General Partner acting in the capacity of the "tax matters partner" of the Partnership (as such term was defined in Section 6231(a)(7) of the Code under the TEFRA Rules).

1.74. "Taxable Year" shall mean the Partnership's taxable year for Federal income tax purposes, as determined pursuant to Section 706 of the Code.

1.75. "TEFRA Rules" shall mean Subchapter C of Chapter 63 of the Code (Sections 6221 through 6234), as enacted by the Tax Equity and Fiscal Responsibility Act of 1982, as amended from time to time, and Treasury Regulations and other guidance promulgated thereunder, and any similar state or local legislation, regulations or guidance; provided, however, that the TEFRA Rules shall not include the BBA Rules.

1.76. "Tenure" shall have the meaning as set forth in Section 8.3.2 hereof.

1.77. "Termination Event" shall have the meaning as set forth in Section 7.3 hereof.

1.78. "Third Point Funds" shall mean, collectively, the investment funds and/or accounts managed by the Investment Manager or any of its Affiliates in which the Partnership invests from time to time.

1.79. "TP Funds" shall mean, collectively, Third Point Partners L.P., Third Point Partners Qualified L.P., Third Point Ultra Ltd., Third Point Ultra Onshore LP, Third Point Ultra Master Fund L.P., Third Point Offshore Fund, Ltd., Third Point Offshore Master Fund L.P. and any other investment funds or accounts with substantially similar investment strategies managed by the Investment Manager.

1.80. "Transfer" shall mean any transaction by which a Partner may directly, indirectly or synthetically transfer, pledge, charge (or otherwise create a security interest in), assign, hypothecate, sell, convey, exchange, reference under a derivatives contract or any other arrangement or otherwise dispose of all, or any portion, of its interest, or the economic or non-economic rights in its interest, to any other beneficial owner or other Persons.

1.81. "Treasury Regulations" shall mean the regulations promulgated under the Code.

1.82. "Unrecovered Loss Year" shall have the meaning as set forth in Section 4.1.2.3 hereof.

1.83. "Unrestricted Partner" shall have the meaning as set forth in Section 4.1.2.7 hereof.

1.84. "Valuation Policy" shall have the meaning as set forth in Section 4.2.1 hereof.

1.85. "Withdrawal Date" shall mean the last day of any calendar quarter, or at such other times, with the consent of, and upon such terms of payment as may be approved or waived by, the General Partner, in its discretion.

## ARTICLE II

## Formation of Partnership

Section 2.1 Formation of Limited Partnership. The Partnership was formed on October 5, 2016 pursuant to the provisions of the Act, and the rights and liabilities of the Partners are as provided in the Act, except as otherwise expressly provided in this Agreement.

Section 2.2 Certificate of Limited Partnership. The General Partner executed a Certificate of Limited Partnership pursuant to the provisions of the Act, as amended from time to time (the "Certificate of Limited Partnership"). The General Partner caused the Certificate of Limited Partnership to be filed and recorded as required by the Act. The General Partner shall also execute, acknowledge and record all amendments to the Certificate of Limited Partnership or additional certificates as may be required by this Agreement or by law.

Section 2.3 Name. The name of the Partnership is Third Point Insurance Dedicated Fund LP The business of the Partnership may be conducted, upon compliance with all applicable laws, under any other name designated in writing by the General Partner.

Section 2.4 Principal Place of Business. The location of the Partnership's principal place of business is 55 Hudson Yards, New York, New York 10001, or such other place as the General Partner may from time to time designate by written notice to all Limited Partners.

Section 2.5 Purposes. The Partnership is organized for the purpose of engaging in all activities and transactions as the General Partner may deem necessary or advisable in connection therewith, including to do such acts as are necessary or advisable in connection with the maintenance and administration of the Partnership. The Partnership may invest all or a portion of such capital through one or more Special Purpose Vehicles (which in turn shall invest in Securities (including through the Investments)).

Section 2.6 Term of the Partnership.

The term of the Partnership commenced on the date the Certificate of Limited Partnership was filed as required under the Act and shall continue until the first of the following events occurs:

2.6.1 within 60 days of the dissolution, entry of an order for relief or filing of a bankruptcy petition or withdrawal of the General Partner, unless within such 60 days not less than a Majority-in-Interest of the then-Limited Partners appoint a successor general partner and elect to continue the business of the Partnership;

2.6.2 in the discretion of the General Partner at any time upon prior written notice to the Limited Partners;

2.6.3 at any time, upon the written consent of all the Limited Partners and the General Partner; or

2.6.4 any other event causing the dissolution of the Partnership under the laws of the State of Delaware.

At the end of its term, the Partnership shall be dissolved and wound up pursuant to Article IX.

Section 2.7 Tranches of Interests.

2.7.1 Interests maintained by each Capital Account are available in two tranches: tranche E and tranche F.

2.7.2 Capital Accounts corresponding to tranche E Interests and tranche F Interests (the "Quarterly Liquidity Interests") shall be identical in all respects, except that tranche E Interests shall be deemed Unrestricted Partners, while tranche F Interests shall not be Unrestricted Partners. The Quarterly Liquidity Interests shall be invested in quarterly liquidity interests and quarterly liquidity shares of the Third Point Funds, as applicable, and in Fixed Income Investments.

2.7.3 The Partnership, in the General Partner's discretion, may in the future offer Interests and/or establish classes, sub-classes, series, tranches or lots, in any case, with different offering terms including with respect to, among other things, the Incentive Fee, Management Fees, withdrawal rights, minimum and additional subscription amounts, portfolios, denomination of currencies, informational rights and other rights. The General Partner may establish such Interests and/or new classes, sub-classes, series, tranches or lots without providing prior notice to, or receiving consent from, existing Limited Partners. The General Partner shall determine the terms of such Interests and/or classes, sub-classes, series, tranches or lots, in its discretion.

## ARTICLE III

## Contributions to and Withdrawals from Capital Accounts

Section 3.1 Contributions of the Limited Partners.

3.1.1 Each Limited Partner must make an initial contribution to the capital of the Partnership ("Initial Capital Contribution") in an amount equal to no less than $500,000. This requirement may be changed or waived by the General Partner in its discretion. The Initial Capital Contribution of each Limited Partner appears opposite the Partner's name in a schedule maintained as part of the books and records of the Partnership.

3.1.2 The General Partner shall have the right, but not the obligation, in its discretion, to admit new Limited Partners to the Partnership or accept additional Capital Contributions from the Partners as of the beginning of each calendar month.

3.1.3 Contributions to the Partnership's capital ("Capital Contributions") made by Limited Partners shall take the form of cash. The General Partner may, in its discretion,

however, permit Limited Partners to contribute marketable Securities to the Partnership, subject to terms and conditions determined by the General Partner in its discretion. In the event that an existing Partner makes an additional Capital Contribution and/or the General Partner exercises its discretion under the first sentence of Section 2.7.3 to offer new Interests and/or create new classes, sub-classes, series, tranches or lots, the General Partner may create additional Capital Accounts to properly account for such additional Capital Contributions, any new Interests offered, classes, sub-classes, series, tranches or lots created and/or for purposes of determining the terms applicable to the Interests, including terms relating to withdrawals set forth in this Agreement.

Section 3.2 No Interest and No Return. Except as provided in this Agreement or by law, no Partner shall have any right to demand or receive the return of its Capital Contribution to the Partnership. Except as provided in this Article III, no Partner shall be entitled to interest on any Capital Contribution to the Partnership or on the Partner's Capital Account.

Section 3.3 No Required Additional Capital Contributions. Except as required under the Act and pursuant to Section 3.8 and Section 6.7.2, no Limited Partner shall be required to make any additional capital contributions to the Partnership.

Section 3.4 Withdrawals in General. Except as otherwise provided in this Article III and Section 6.9, no Partner shall be entitled to withdraw any amount from its Capital Account.

Section 3.5 Permitted Withdrawals from Capital Accounts.

3.5.1 Subject to the limitations described in Section 3.6 and Section 3.7 of this Agreement, each Limited Partner with a Capital Account corresponding to Quarterly Liquidity Interests shall have the right as of the end of any fiscal quarter (or more frequently in the General Partner's discretion) to withdraw amounts (which, for purposes of this Agreement, may be expressed in dollar amounts or as a percentage of a Limited Partner's Capital Account) from such Partner's Capital Account upon written notice received by the General Partner not less than 65 days prior to the end of the fiscal quarter, stating the amount to be withdrawn. In addition, the Limited Partner may withdraw capital upon the consent of, and upon such terms and conditions as may be determined by the General Partner, in its sole discretion. A Limited Partner making a withdrawal of capital pursuant to this Section 3.5.1 shall be entitled to receive 95% of the amount withdrawn within 10 Business Days after the close of the fiscal quarter in which notice of withdrawal pursuant to this Section 3.5.1 was provided. The balance, if any, of the amount withdrawn after the issuance of the final net asset value for the Partnership for that month will be paid to the withdrawing Limited Partner within 60 days after the end of the fiscal quarter. A withdrawal other than at the end of a Fiscal Year shall be subject to a charge for an Incentive Fee with respect to the portion of the Capital Account withdrawn.

3.5.2 The General Partner shall have the right to withdraw amounts from its Capital Account without notice to the Limited Partners.

3.5.3 The General Partner may, in its discretion, make distributions in cash or in-kind, or in a combination thereof, in connection with a Partner's withdrawal of capital from the Partnership or otherwise. The General Partner may choose, in its discretion, which Securities or other assets or liabilities of the Partnership to distribute in-kind. If the Partnership proposes to make a distribution in-kind, unless a Partner consents, and subject to Section 4.1.2.7 and Section 4.1.2.8, such distribution shall include no more of any particular Security or other asset or liability than the Partner's share of such Security or asset or liability determined on a *pro rata* basis based on such Partner's Partnership Percentage (*i.e.*, as if determined on a "look-through" basis). Subject to Section 4.1.2.7 and Section 4.1.2.8, in the event that a Partner consents to receiving a distribution in-kind that is greater than its *pro rata* share of such Security or asset or liability based on such Partner's Partnership Percentage, then such non *pro rata* distribution in-kind shall only be made if the Partnership is not materially adversely affected by such distribution in-kind.

3.5.4 If a distribution is made in-kind in connection with a Partner's withdrawal of capital from the Partnership, then on the Withdrawal Date, the General Partner shall (a) determine the Fair Value of such in-kind proceeds and adjust the Capital Accounts of all Partners upwards or downwards to reflect the difference between the book value and the Fair Value thereof, as if such gain or loss had been recognized upon an actual sale of such in-kind proceeds on such date and allocated pursuant to Section 4.1.2; and (b) reduce the Capital Account(s) of the distributee Partner by the Fair Value of such in-kind proceeds distributed (or to be distributed) to such Partner. In-kind distributions made pursuant to Section 3.5.3, this Section 3.5.4 or Section 9.1 may be comprised of, among other things, interests in trading vehicles or Special Purpose Vehicles holding the actual investment or participations in the actual investment or participation notes (or similar derivative instruments), which provide a return with respect to certain Securities or other assets or liabilities of the Partnership. The holders of interests in a Special Purpose Vehicle shall bear the expenses of such Special Purpose Vehicle.

Section 3.6 Limitations on Withdrawal.

3.6.1 Notwithstanding the foregoing, aggregate withdrawals during any calendar quarter shall be limited, at the General Partner's discretion, to 20% of the Partnership's net asset value as of the last day of the calendar quarter (the "Fund-Level Gate"). If aggregate withdrawal requests with respect to any Withdrawal Date exceed the Fund-Level Gate, then the General Partner may determine to limit withdrawals by the Limited Partners requesting such withdrawals up to the Fund-Level Gate on a *pro rata* basis based on the size of withdrawal requests received. If any Limited Partner is prohibited from making withdrawals from its Capital Account as of a Withdrawal Date as a result of the operation of this Section 3.6.1 or Section 3.7 (such affected Interests, the "Excess Interests"), then with respect to a Capital Account corresponding to Quarterly Liquidity Interests, such Limited Partner shall be deemed to have made a withdrawal request with respect to the Excess Interests for the immediately following Withdrawal Date (and any subsequent Withdrawal Date, as applicable) (and shall be subject to the imposition of the Fund-Level Gate, if applicable, for the following Withdrawal Date (and any subsequent Withdrawal Date, as applicable)).

3.6.2 If any Limited Partner's withdrawal request is subject to the imposition of the Fund-Level Gate for three consecutive Withdrawal Dates, then such Limited

Partner shall be (subject to any limitations on withdrawals (other than the Fund-Level Gate) that may exist at the time) fully withdrawn (up to the amount of such Limited Partner's unsatisfied withdrawal request) from the Partnership on the following Withdrawal Date.

3.6.3 A Limited Partner who requests to withdraw the entire amount from its Capital Account(s) shall be deemed to have requested to withdraw entirely from the Partnership. Such Partner's Capital Account shall be distributed to him as described in this Article III.

3.6.4 No Partner may withdraw any amounts from its Capital Account in excess of the positive balance of its Capital Account. Any withdrawals pursuant to the provisions of this Article III are subject to provision by the General Partner for all Partnership liabilities and reserves established under Section 4.3.

3.6.5 Partial withdrawals of Interests may only be made in amounts of U.S. $50,000 or greater, subject to waiver by the General Partner, in the General Partner's discretion.

3.6.6 Any of the conditions relating to withdrawals pursuant to the provisions of this Article III or otherwise as set out in this Agreement (including Withdrawal Dates, the Fund-Level Gate and notice periods) may be waived or reduced by the General Partner, in its discretion, from time to time, subject to such terms and conditions deemed appropriate to the General Partner, with respect to one or more Limited Partners without notice to, or the consent of, the other Limited Partners.

Section 3.7 Suspensions of Withdrawals and Valuations. Notwithstanding any other provision of this Agreement, the General Partner, by written notice to the Limited Partners, may suspend valuations, withdrawals and/or payment of withdrawal proceeds from the Limited Partners' Capital Accounts: (a) during any period when any stock exchange or over-the-counter market on which the Partnership's or the Third Point Funds' investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (b) during the existence of any state of affairs as a result of which, in the opinion of the General Partner, disposal of Partnership or Third Point Fund assets, or the determination of the net asset value of a Capital Account, would not be reasonably practicable or might prejudice the non-withdrawing Limited Partners, the Partnership as a whole or the Third Point Funds; (c) during the existence of any state of affairs as a result of which disposal of a portion of the Partnership's or the Third Point Funds' assets deemed significant by the General Partner is restricted under applicable U.S. or non-U.S. securities laws or regulations or the Investment Manager's consciously restrictive policies imposing trading limitations; (d) during any breakdown in the means of communication normally employed in determining the price or value of any of the Partnership's or the Third Point Funds' investments, or of current prices in any financial market as aforesaid, or when for any other reason the prices or values of any investments owned by the Partnership cannot reasonably be promptly and accurately ascertained; (e) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the General Partner, be effected at normal rates of exchange; (f) for any period during which such withdrawal would cause a material breach or default under any covenant in any *bona fide* financing agreements entered into

by the Partnership (or the Third Point Funds) and a Person that is not an Affiliate of the General Partner or the Investment Manager; or (g) during the period in which the Partnership or a Third Point Fund is winding down its business. Where possible, all reasonable steps shall be taken to bring any period of suspension to an end as soon as possible. The General Partner may require any Partner to withdraw from the Partnership and/or terminate all or any part of a Partner's Capital Account during the period in which valuations and/or withdrawal rights are suspended.

Section 3.8 Withholding Taxes. The General Partner may withhold taxes from any distribution in respect of withdrawal proceeds or with respect to any allocation to any Partner or Former Partner, or otherwise with respect to any Partner or Former Partner, to the extent required by the Code or any other applicable law or regulation. If the amount of such taxes is greater than such Capital Account balance and/or any such distributable amounts, then such Partner or Former Partner shall pay the amount of such excess to the Partnership. Neither the Partnership nor the General Partner shall be liable for any excess withholding tax withheld (directly or indirectly) in respect of any Partner or Former Partner, and, in the event of over-withholding, a Partner or Former Partner's sole recourse shall be to apply for a refund from the appropriate taxing authority.

## ARTICLE IV

## Capital Accounts and Allocations

Section 4.1 Capital Accounts.

4.1.1 A "Capital Account" shall be established for each Partner as of the first day of each Fiscal Period. For the Fiscal Period during which a Partner is admitted to the Partnership, the Partner's Capital Account shall initially equal the Partner's Initial Capital Contribution. For each Fiscal Period after the Fiscal Period in which a Partner is admitted to the Partnership, the Partner's Capital Account shall equal the sum of the amount of the Partner's Capital Account as finally adjusted for the immediately preceding Fiscal Period in accordance with the provisions of this Article IV of the Agreement, increased by the amount of any additional Capital Contribution made by the Partner as of the first day of the Fiscal Period and reduced by (a) the amount of any withdrawal made by the Partner pursuant to Article III, Section 6.9 or Section 7.4 of this Agreement; and (b) the Management Fee charged to the Partner's Capital Account.

In the event that a Partner Transfers its Interest in accordance with the provisions of Section 7.5 of this Agreement, the purchaser, assignee or successor-in-interest shall acquire the Capital Account (or the portion of the Capital Account attributable to the Interest conveyed) regardless of whether the purchaser, assignee or successor-in-interest becomes a Partner.

4.1.2 Allocation of Net Capital Appreciation or Net Capital Depreciation.

4.1.2.1 At the end of each Fiscal Period, the Capital Account of a Partner (including the General Partner) for such Fiscal Period shall be adjusted by crediting (in the case of Net Capital Appreciation) or debiting (in the case of Net Capital

Depreciation) the Net Capital Appreciation or Net Capital Depreciation, as the case may be, to the Capital Accounts of all of the Partners (including the General Partner) in proportion to their respective Partnership Percentages.

4.1.2.2 Pursuant to the Investment Management Agreement and subject to Section 4.1.2.4, Section 4.1.2.5, Section 4.1.2.6 and Section 4.1.2.7, the Partnership shall pay to the Investment Manager at the end of each Fiscal Year of the Partnership, 20% of the result of (x) the Net Increase, if any, attributable to Fixed Income Investments allocated to a Limited Partner's Capital Account for such Fiscal Year, minus (y) the Management Fee debited from such Capital Account for such Fiscal Year (the "Incentive Fee"). The General Partner, in its discretion, may elect to reduce, waive or calculate differently the Incentive Fee with respect to any Limited Partner.

4.1.2.3 Pursuant to the Investment Management Agreement, a Limited Partner's Capital Account shall be subject to a reduced Incentive Fee (the "Reduced Incentive Fee") in respect of Net Increase attributable to Fixed Income Investments allocated thereto for any Fiscal Year at the beginning of which an unrecovered balance exists in the Loss Recovery Account attributable to such Capital Account (each such year, an "Unrecovered Loss Year"). The amount of the unrecovered balance remaining in the Loss Recovery Account at the time of calculating the Incentive Fee shall be the amount existing immediately prior to its reduction pursuant to Section 4.1.2.4. The Reduced Incentive Fee shall be calculated in the manner provided for the Incentive Fee in Section 4.1.2.2 except that the 20% Incentive Fee rate shall be reduced by half (*i.e.*, 10%). Once a Loss Recovery Account attributable to a Capital Account has been reduced to zero, all additional Net Increase attributable to Fixed Income Investments allocated to such Capital Account shall be subject to the Incentive Fee at the 20% Incentive Fee rate provided for under Section 4.1.2.2. As used herein and unless otherwise indicated, the term "Incentive Fee" includes any Reduced Incentive Fee.

For sake of clarification, it is intended, therefore, that the Reduced Incentive Fee be determined on any Net Increase attributable to Fixed Income Investments allocated to a Capital Account until such Net Increase attributable to Fixed Income Investments has reduced the Loss Recovery Account balance for such Capital Account to zero. After such time, the 20% rate shall apply.

4.1.2.4 There shall be established on the books of the Partnership for the Capital Account of each Limited Partner a memorandum loss recovery account (a "Loss Recovery Account"), the opening balance of which shall be zero. At each date that an Incentive Fee with respect to a Capital Account is to be determined, the balance in the Loss Recovery Account attributable to such Capital Account shall be adjusted as follows: **FIRST**, if, in the aggregate, Net Decrease attributable to Fixed Income Investments has been allocated to such Capital Account since the immediately preceding date as of which a calculation of an Incentive Fee was made (other than an Incentive Fee made upon a withdrawal prior to the end of the Fiscal Year) (or if no calculation has yet been made with respect to such Capital Account, since it was established), there shall be added to such Loss Recovery Account an amount equal to two and one-half times (*i.e.*, 250%) such Net Decrease attributable to Fixed Income Investments; and **SECOND**, if there is Net Increase attributable

to Fixed Income Investments (before any Incentive Fee) with respect to such Capital Account in a Fiscal Year, any Loss Recovery Amount carried over to that year shall be reduced (but not below zero) by the amount of such Net Increase attributable to Fixed Income Investments. Solely for purposes of this Section 4.1.2.4, in determining the Loss Recovery Account attributable to a Capital Account, Net Increase and Net Decrease attributable to Fixed Income Investments for any applicable period generally shall be calculated by taking into account the amount of the Management Fee, if any, deducted from such Capital Account for such period.

In the event that a Limited Partner with an unrecovered balance in a Loss Recovery Account withdraws all or a portion of such Capital Account, the unrecovered balance in such Loss Recovery Account and any Net Decrease attributable to Fixed Income Investments for the current Fiscal Year (not yet taken into account in computing the Loss Recovery Account) shall be reduced as of the beginning of the next Fiscal Period by an amount equal to the product obtained by multiplying the balance in such Limited Partner's Loss Recovery Account by a fraction, the numerator of which is the amount of the withdrawal made by such Limited Partner as of the last day of the prior Fiscal Period and the denominator of which is the balance in such Limited Partner's Capital Account as of the last day of the prior Fiscal Period (prior to the withdrawal made by the Partner as of the last day of the Fiscal Period). Additional Capital Contributions shall not affect any Partner's Loss Recovery Account.

4.1.2.5 In the event that the Partnership is dissolved other than at the end of a Fiscal Year, then for purposes of determining the Incentive Fee, Net Increase attributable to Fixed Income Investments shall be determined through the termination date as if such date was the end of the Fiscal Year.

4.1.2.6 If a Limited Partner withdraws all or a portion of its Capital Account other than at the end of a Fiscal Year, Net Increase and Net Decrease attributable to Fixed Income Investments, as the case may be, allocable to such Capital Account shall be determined through the date of the withdrawal, and an Incentive Fee with respect to the portion of the Capital Account withdrawn shall be paid to the Investment Manager as set forth above as if the Withdrawal Date was the end of a Fiscal Year.

4.1.2.7 In the event the General Partner determines that, based upon tax or regulatory considerations, or for any other reasons as to which the General Partner and any Limited Partner agree, such Partner should not participate (or should be limited in its participation) in the Net Capital Appreciation or Net Capital Depreciation, if any, attributable to trading in any Security, type of Security or any other transaction, the General Partner may allocate such Net Capital Appreciation or Net Capital Depreciation only to the Capital Accounts of Partners to whom such considerations or reasons do not apply (or may allocate to the Capital Account to which such considerations or reasons apply, the portion of such Net Capital Appreciation or Net Capital Depreciation attributable to such Capital Account's limited participation in such Security, type of Security or other transaction). In addition, if for any of the reasons described above, the General Partner determines that a Partner should have no interest whatsoever in a particular Security, type of Security or transaction, the interests in such Security, type of Security or transaction may be

set forth in a separate memorandum account in which only the Partners having an interest in such Security, type of Security or transaction (any such Partner, for such Security, type of Security or transaction, being referred to as an "Unrestricted Partner") shall have an interest and the Net Capital Appreciation and Net Capital Depreciation for each such memorandum account shall be separately calculated.

4.1.2.8 At the end of each Fiscal Period during which a memorandum account created pursuant to Section 4.1.2.7 (a "Memorandum Account") was in existence (or during which an interest in particular Securities was otherwise allocated away from one or more Limited Partners), the Capital Account of each Unrestricted Partner may be debited *pro rata* in accordance with the Capital Accounts of all Unrestricted Partners at the opening of such Fiscal Period in an amount equal to the interest that would have accrued on the amount used to purchase the Securities attributable to the Memorandum Account (the "Purchase Price") had the Purchase Price earned interest at the rate *per annum* being paid by the Partnership from time to time during the applicable Fiscal Period for borrowed funds, or, if funds have not been borrowed by the Partnership during such Fiscal Period, at the interest rate *per annum* that the General Partner determines would have been paid if funds had been borrowed by the Partnership during such Fiscal Period. The amount so debited shall then be credited to the Capital Accounts of all of the Partners in accordance with their Partnership Percentages.

4.1.2.9 Notwithstanding any other provision of this Section 4.1.2.9, it is intended that all payments of Incentive Fee shall be made at the level of the Partnership. However, the General Partner may elect to have the Incentive Fee paid to it (or to any of its Affiliates) at the level of any Special Purpose Vehicle through which the investment program of the Partnership is being effectuated without receiving consent from existing Limited Partners, for so long as such election does not result in any material adverse economic consequences to the Limited Partners.

4.1.3 Amendment of Incentive Fee. The General Partner shall have the right to amend, without the consent of the Limited Partners, Section 4.1.2 so that the Incentive Fee therein provided conforms to any applicable requirements of the Securities and Exchange Commission and other regulatory authorities or to address any change in law that affects the tax treatment of the Incentive Fee or any fee paid to the Investment Manager, its Affiliates or any Person providing management and/or administrative services to the Partnership; provided, however, that no such amendment shall increase the Incentive Fee that otherwise would be made with respect to a Capital Account. The Partnership shall not bear any expenses related to effecting any changes to the provisions relating to the Incentive Fee as provided in this Section 4.1.3.

4.1.4 Allocations for Tax Purposes.

4.1.4.1 For each fiscal year, items of income, deduction, gain, loss or credit shall be allocated for Federal income tax purposes among the Partners in such manner as the General Partner, in its discretion, determines reasonably reflects amounts credited or debited to each Partner's Capital Account for the current and prior fiscal years (or relevant portions thereof).

4.1.4.2 Notwithstanding the foregoing, the General Partner shall be entitled, in its discretion, to specially allocate items of income and gain (or loss and deduction) to Partners who withdraw all or a portion of their Capital Account during any Fiscal Year in a manner designed to ensure that each withdrawing Partner is allocated income or gain (or loss or deduction) in an amount equal to the difference between that Partner's Capital Account balance (or portion thereof being withdrawn) at the time of the withdrawal and the tax basis for its interest in the Partnership at that time (or proportionate amount thereof), determined, in all cases, (x) with regard to deemed distributions and contributions under Section 752 of the Code; and (y) without regard to any adjustments that have been made to the tax basis of the withdrawing Partner's interest in the Partnership as a result of any withdrawals or assignment of its interest in the Partnership prior to the withdrawal (other than the original issue of the interest in the Partnership), including by reason of death.

4.1.4.3 The provisions of this Section 4.1.4 are intended to comply with Treasury Regulation Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulation. In furtherance of the foregoing, the provisions of Section 704 and the Treasury Regulations thereunder addressing qualified income offset, minimum gain chargeback requirements and allocations of deductions attributable to nonrecourse debt and partner nonrecourse debt (as defined in Treasury Regulation Section 1.704-2(b)(4)), are hereby incorporated by reference.

4.1.4.4 Notwithstanding anything to the contrary in this Agreement, if the Code or Treasury Regulations require a withholding on or other adjustment to the Capital Account(s) or otherwise to the interest of a Partner or Former Partner, or any other event or events occur(s) necessitating or justifying, in the General Partner's sole judgment an equitable adjustment to the Capital Account(s) or otherwise to the interest of a Partner or Former Partner (including if allocations would not properly reflect the economic arrangement of the Partners or Former Partners or would otherwise cause an inequitable or onerous result for any Partner), the General Partner shall make such adjustments to the Capital Account(s) or otherwise to the interest of the Partners or Former Partners including in the determination and allocation among the Partners (and Former Partners, if relevant) of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Partnership Percentages, Incentive Fee, Management Fee, items of income, deduction, gain, loss, credit or withholding for tax purposes, accounting procedures or such other financial or tax items as shall equitably take into account such event (or events) and applicable provisions of law or regulation, and the determination thereof in the discretion of the General Partner shall be final and conclusive as to all of the Partners (and Former Partners, if relevant).

Section 4.2 Valuation.

4.2.1 The Partnership's assets and liabilities shall be valued at least monthly in accordance with the Investment Manager's valuation policy and procedures, as may be amended from time to time (the "Valuation Policy").

4.2.2 All values assigned to Securities, other assets and liabilities in accordance with the procedures set forth in the Valuation Policy shall be final.

Section 4.3 Liabilities; Reserves. The Partnership's liabilities shall be determined in accordance with GAAP, and shall include the establishment of such reserves for estimated accrued expenses and contingencies as the General Partner may deem advisable; provided, however, that the General Partner, in its discretion, may provide reserves and holdbacks for estimated accrued expenses, liabilities or contingencies, including general reserves and holdbacks for unspecified contingencies (even if such reserves or holdbacks are not required by GAAP). All such reserves or holdbacks could reduce the amount of distribution on withdrawal. Such reserves or holdbacks may be invested or maintained in a manner deemed appropriate by the General Partner. Any holdback shall be applied equally and equitably to all Capital Accounts that are subject to the expenses, liabilities and contingencies for which such holdback was established. Upon the determination of the General Partner that such holdback is no longer needed, the remainder (if any) of the holdback, and the estimated interest that the Partnership earned thereon or is attributed thereto (in each case, if any) shall be distributed or credited, as applicable, to the Capital Accounts for which such holdback was established.

Section 4.4 Determination by General Partner of Certain Matters. All matters concerning the valuation of Securities, the allocation of profits, gains and losses among the Partners, the taxes on profits, gains and losses, and accounting procedures, not specifically and expressly provided for by the terms of this Agreement, shall be determined in good faith by the General Partner, whose determination shall be final, binding and conclusive on all of the Partners.

The General Partner shall have the power to make all tax elections and determinations for the Partnership, and to take any and all action necessary under the Code or other applicable law to effect those elections and determinations. All such elections and determinations by the General Partner shall be final, binding and conclusive upon all Partners.

## ARTICLE V

## Records, Accounting and Reports, Partnership Funds

Section 5.1 Records and Accounting.

5.1.1 Proper and complete records and books of account of the Partnership's business shall be maintained at the Partnership's principal place of business or at such other place as may be determined by the General Partner. Unless determined otherwise by the General Partner, in its discretion, the books and records of the Partnership shall be kept pursuant to the accrual method of accounting, which shall be the method of accounting followed by the Partnership for Federal income tax purposes.

5.1.2 Pursuant to Section 17-305(f) of the Act, except as otherwise expressly provided in this Agreement or any Other Agreement, no Limited Partner shall have any right to obtain any information contained in the books and records of the Partnership (whether kept by the General Partner, the Investment Manager, the Administrator or any other Person), including, without limiting the generality of any of the foregoing, any Confidential Material and any information relating to any other Limited Partner or the Partnership's trading activity.

Section 5.2 Independent Audit. The records and books of account of the Partnership shall be audited as of the end of each Fiscal Year by independent certified public accountants selected by the General Partner in its discretion.

Section 5.3 Tax Information. Within 90 days after the end of each Taxable Year (or as soon thereafter as is reasonably practicable), the General Partner shall cause to be delivered to each Person who was a Partner at any time during that Taxable Year all information necessary, at the discretion of the General Partner, for the preparation of the Partner's Federal income tax returns, including a Form 1065/Schedule K-1 statement showing the Partner's share of Net Increase or Net Decrease, deductions and credits for the year for Federal income tax purposes, and the amount of any distributions made to or for the account of the Partner pursuant to this Agreement.

Section 5.4 Annual Reports to Current Partners. The independent certified public accountants selected by the General Partner in accordance with Section 5.2 of this Agreement shall prepare and mail to each Partner, within 90 days after the end of each Fiscal Year (or as soon thereafter as is reasonably practicable), an income statement for the Fiscal Year and a balance sheet as of the end of the Fiscal Year.

Section 5.5 Periodic Reports to Current Partners. After the end of the first three quarters of a Fiscal Year, the Partnership shall cause to be prepared and provided to each then-current Partner of the Partnership a report setting out as of the end of the third-quarter estimated tax information determined by the General Partner to be appropriate.

Section 5.6 Tax Returns. The General Partner shall cause tax returns for the Partnership to be prepared and timely filed (taking into account extensions) with the appropriate authorities, and shall determine which items of cash outlay are to be capitalized or treated as current expenses.

## ARTICLE VI

## Rights and Duties of the General Partner

Section 6.1 Management Power. The General Partner shall have exclusive management and control of the business of the Partnership. Except as expressly provided in this Agreement, the authority of the General Partner to manage and control the day-to-day business of the Partnership shall be exercised by the Managing Member, and all decisions regarding the day-to-day management and affairs of the Partnership shall be made by the Managing Member on behalf of the General Partner (whether or not this Agreement specifies that the General Partner or the Managing Member is authorized to make such decision). The General Partner shall, except as provided in this Agreement, have all the rights and powers of a general partner of a partnership without limited partners formed under the laws of the State of Delaware, as provided in the Act and as otherwise provided by law. Except as otherwise expressly provided in this Agreement, the General Partner is granted the right, power and authority to undertake on behalf of the Partnership all actions that, in its sole judgment, are necessary, suitable, proper or desirable to carry out its duties and responsibilities, including the right, power and authority from

time to time to take the following actions at the expense of, in the name of, and on behalf of, the Partnership:

6.1.1 To make Investments on behalf of the Partnership;

6.1.2 To acquire, trade, hold, encumber, sell, lease, exchange, purchase, transfer, invest, mortgage, pledge, charge, dispose of and otherwise deal with, on margin or otherwise, directly and/or indirectly (including through the Investments), Securities (including to acquire "long" positions or "short" positions and to make purchases or sales increasing, decreasing or liquidating the position or changing from a "long" position to a "short" position or from a "short" position to a "long" position, without any limitation as to the frequency of the fluctuation in such positions or as to the frequency of the changes in the nature of the positions), commodities and commodities contracts, including futures contracts, forwards, options and swaps thereon, and other assets of the Partnership, and to exercise all rights, powers, privileges and other incidents of ownership or possession with regard to Securities, including voting rights, at prices and upon terms deemed to be in the best interests of the Partnership, and to engage in any other activities and transactions that may be necessary, suitable or proper for the accomplishment of or in furtherance of, any of the foregoing objects and purposes and to do any and all other acts and things incidental or appurtenant to or arising from or connected with any of such objects and purposes;

6.1.3 To organize one or more corporations or other entities to invest, in Securities or participations in Securities, or to hold record title of, or as nominee for the Partnership of, Securities or funds of the Partnership (each such entity, a "Special Purpose Vehicle");

6.1.4 To incur all expenditures permitted by this Agreement;

6.1.5 To engage any and all agents, managers, consultants, advisors, including the Investment Manager, independent contractors, attorneys, the Administrator, accountants and other Persons necessary or appropriate to carry out the business of the Partnership, and to pay fees, expenses and other compensation to such Persons, and provide for the exculpation and/or indemnification of such Persons by the Partnership, including such Persons or firms that may be Limited Partners or Affiliates of the General Partner or its principals or employees;

6.1.6 To admit new Limited Partners to the Partnership, pursuant to and subject to the terms of Article III of this Agreement, without the consent of the Limited Partners including such Persons or firms that may be Limited Partners or Affiliates of the General Partner or its principals or employees;

6.1.7 To enter into Other Agreements with Limited Partners containing such terms and conditions as determined by the General Partner;

6.1.8 To assist the Partnership with marketing and investor relations services, including communications from the Partnership to the Limited Partners and prospective investors;

6.1.9 To the extent that funds of the Partnership are, in the General Partner's judgment, not required for the conduct of the Partnership's business, to invest the excess funds;

6.1.10 To pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise, upon terms that the General Partner may in its discretion determine and upon evidence that it deems sufficient, any obligation, suit, liability, cause of action or claim, including taxes, either in favor of or against the Partnership;

6.1.11 To make, execute and deliver any and all documents of transfer and conveyance and any and all other instruments and agreements that may be necessary or appropriate to carry out the powers granted in this Agreement;

6.1.12 To open, maintain, conduct and close accounts, including margin and custodial accounts, with brokers and bank accounts, and to draw checks or other orders for the payment of money by the Partnership;

6.1.13 If the General Partner deems registration, qualification, exemption or any other action necessary or desirable to cause the Partnership to comply with all applicable provisions of law, including the registration or qualification of the Partnership under the laws of any applicable jurisdiction or the obtainment of exemptions under such laws;

6.1.14 To engage in hedging and/or interest exchange agreement transactions on behalf of or for the direct or indirect benefit of the Partnership through the purchase and sale of: contracts for future delivery of bank certificates of deposit; securities issued or guaranteed by the United States Government and its agencies and instrumentalities, such as United States treasury bonds, notes and bills and mortgage-backed securities issued by the Government National Mortgage Association; other interest-bearing negotiable instruments; and other financial futures contracts, financial options contracts and other Securities whether in existence now or in the future;

6.1.15 To lend, either with or without security, any Securities, funds or other properties of the Partnership, to borrow or raise funds, without limit as to the amount or manner and time of repayment, to issue, accept, endorse and execute promissory notes, drafts, bills of exchange, warrants, bonds, debentures or other negotiable or non-negotiable instruments and evidences of indebtedness, to secure the payment of such or other obligations of the Partnership by mortgage upon or pledge, charge, hypothecation or guarantee of, all or any part of the property of the Partnership, whether owned or acquired thereafter and to execute and record financing statements in connection with perfecting any such security interests of the Partnership, as applicable;

6.1.16 To acquire, enter into and pay for any contract of insurance that the General Partner in its discretion deems necessary and proper for the protection of the Partnership, for the conservation of the assets of the Partnership, or for any purposes beneficial to the Partnership;

6.1.17 To enter into, make, perform, execute, amend, supplement, acknowledge and deliver any and all contracts, agreements, licenses, undertakings or other

instruments and to engage in any kind of activity necessary, proper or desirable to carry out the purposes of the Partnership;

6.1.18 To assist the Partnership with any legal, compliance, tax or regulatory filings;

6.1.19 To direct or permit the Investment Manager to enter into direct or indirect sub-advisory arrangements; provided, however, that management, control and conduct of the activities of the Partnership shall remain the responsibility of the General Partner;

6.1.20 To make all tax elections and determinations for the Partnership, and to take any and all action necessary under the Code or other applicable law to effect those elections and determinations;

6.1.21 To be or to designate a Partnership Representative for all purposes under the Code;

6.1.22 To combine purchase or sale orders on behalf of the Partnership with orders for Affiliated Funds and allocate the securities or other assets so purchased or sold, on an average price basis, among the Partnership and such Affiliated Funds;

6.1.23 To enter into arrangements with brokers to open "average price" accounts wherein orders placed during a trading day are placed on behalf of the Partnership and Affiliated Funds and are allocated among such accounts using an average price;

6.1.24 To provide research and analysis and direct the formulation of investment policies and strategies for the Partnership;

6.1.25 To invest in other pooled investment vehicles, which investments shall be subject, in each case, to the terms and conditions of the respective governing document for such vehicle;

6.1.26 Subject to applicable law, to purchase Securities and other property from and sell Securities and other property to Affiliated Funds; and

6.1.27 To delegate any or all authorities of the General Partner hereunder, and in furtherance of any such delegation to appoint, employ or contract with the Investment Manager for its services in connection with the management and operation of the Partnership in accordance with the terms of the Investment Management Agreement.

Section 6.2 Resignation or Withdrawal by the General Partner. The General Partner may voluntarily resign or withdraw from the Partnership upon written notice sent to all Partners.

Section 6.3 Right of Public to Rely on Authority of General Partner. Nothing contained in this Agreement shall impose any obligation on any Person or firm doing business with the Partnership to inquire whether the General Partner has exceeded its authority in

executing any contract, lease, mortgage, deed or other instrument on behalf of the Partnership, and any such third person shall be fully protected in relying upon that authority.

Section 6.4 Time and Attention of the General Partner. The General Partner shall devote to the Partnership, and apply to the accomplishment of Partnership purposes, an amount of time and attention that the General Partner in its discretion deems necessary or appropriate.

Section 6.5 Exculpation and Indemnification of the General Partner.

6.5.1 The General Partner, any of its Affiliates (which shall exclude the Partnership and the Third Point Funds), the Tax Matters Partner or the Partnership Representative acting in their capacity as such, and each of their respective members, partners, directors, officers, employees and legal representatives (*e.g.*, executors, guardians and trustees) of any of them, including Persons formerly serving in such capacities (each such Person, an "Indemnified Person"), shall not be liable to any Limited Partner or the Partnership for any costs, losses, claims, damages, liabilities, taxes (including interest, penalties and additions to tax), expenses (including reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, "Indemnified Losses") arising out of, related to or in connection with any act or omission of such Indemnified Person taken, or omitted to be taken, in connection with the Partnership or this Agreement, except for any Indemnified Losses arising out of, related to or in connection with any act or omission that is judicially determined to be primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. In addition, no Indemnified Person shall be liable to any Limited Partner or the Partnership for any Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker or agent of the Partnership if such broker or agent was selected, engaged or retained by such Indemnified Person directly or on behalf of the Partnership in accordance with the standard of care set forth above. Any Indemnified Person may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialized, reputable, professional consultants in respect of affairs of the Partnership and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such Persons; provided, that such Persons shall have been selected, engaged or retained in accordance with the standard of care set forth above. Notwithstanding any of the foregoing to the contrary, the provisions of this Agreement do not provide for the exculpation of any Indemnified Person for any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on Persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the exculpation and indemnification protections described above to the fullest extent permitted by law.

6.5.2 To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any act, omission or alleged act or omission arising out of, related to or in connection with the Partnership and this Agreement, or any and all claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative, which includes formal and informal inquiries and "sweep"

examinations (whether cooperation with such inquiries is voluntary or mandatory), in connection with the Partnership's activities), actual or threatened, in which an Indemnified Person may be involved, as a party or otherwise, arising out of or in connection with such Indemnified Person's service to or on behalf of, or management of the affairs or capital of, the Partnership, or which relate to the Partnership ("Proceedings") except for any Indemnified Losses that are judicially determined to be primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. The Partnership shall also indemnify and hold harmless each Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such Indemnified Person by reason of any acts, omissions or alleged acts or omissions of any broker or agent of the Partnership; provided, that such broker or agent was selected, engaged or retained by such Indemnified Person directly or on behalf of the Partnership in accordance with the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that such Indemnified Person's acts, omissions or alleged acts or omissions were primarily and directly attributable to the bad faith, gross negligence, willful misconduct or fraud of such Indemnified Person. Expenses (including legal and other professional fees and disbursements) incurred in any Proceeding shall be paid by the Partnership in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amounts if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Partnership as authorized under this Agreement. Notwithstanding any of the foregoing to the contrary, the provisions of this Agreement should not be construed so as to provide for the indemnification of an Indemnified Person for any liability (including liability under U.S. Federal securities laws which, under certain circumstances, impose liability even on Persons that act in good faith), to the extent (but only to the extent) that such indemnification would be in violation of applicable law, but shall be construed so as to effectuate the provisions of this Agreement to the fullest extent permitted by law. The General Partner may enter into any agreement with any Indemnified Person which agreement has the effect of conferring directly on such Indemnified Person the indemnity and exculpation protection set out in this Agreement.

6.5.3 For purposes of this Section 6.5, acts or failures to act undertaken upon the advice of counsel shall be deemed to be actions in good faith, within the scope of authority and in the best interests of the Partnership.

6.5.4 The provisions of this Section 6.5 shall survive the termination of this Agreement, the termination of the Investment Management Agreement and/or the resignation or withdrawal of the General Partner of the Partnership.

Section 6.6 Other Business Ventures. Each Partner agrees that the General Partner, its Affiliates and their respective members, associates, directors, officers or employees may engage in other business activities or possess interests in other business activities of every kind and description, independently or with others, including in connection with the Third Point Funds. These activities may include investing in, financing, acquiring and disposing of securities in which the Partnership may from time to time invest, or in which the Partnership is able to invest or otherwise have any interest. The Limited Partners agree that the General Partner and the Investment Manager may act as a general partner of other partnerships, including investment partnerships or as managing member of limited liability companies. The Limited Partners

further agree that the General Partner or the Investment Manager may organize and manage one or more domestic or offshore entities or accounts that may have similar or overlapping investment activities as the Partnership and that the General Partner or the Investment Manager, as the case may be, shall allocate investment opportunities among such entities or accounts, other Affiliated Funds, and the Partnership as it deems to be fair and equitable in its discretion.

Section 6.7 Certain Tax Matters.

6.7.1 The Tax Matters Partner and the Partnership Representative, in such capacity, are authorized and empowered to act and represent the Partnership and each of the Partners before the Internal Revenue Service and any other taxing authority in any audit or examination of any Partnership tax return and before any court selected by the General Partner for judicial review of any adjustments assessed by the Internal Revenue Service and any other taxing authority. By the execution of this Agreement, the Partners agree to be bound by, and agree not to take any action inconsistent with, the actions or inaction of the Tax Matters Partner or Partnership Representative, as applicable, including, but not limited to, tax return positions, the extension of the statute of limitations or any contest, settlement or other action or position that the Tax Matters Partner or the Partnership Representative, as applicable, deems proper under the circumstances. Each Partner agrees to notify the Tax Matters Partner or the Partnership Representative, as applicable, of any such action to be taken by the Partner, in violation of this Agreement or otherwise, at least 10 days prior to the date the Partner takes the action. The Tax Matters Partner or the Partnership Representative, as applicable, shall notify each Partner in writing of all administrative and judicial proceedings for the adjustment of Partnership items and shall make periodic reports to the Partners setting forth information it deems appropriate at its discretion to keep the Partners informed of the status of such proceedings. The Tax Matters Partner or the Partnership Representative, as applicable, shall have the authority to take all actions necessary or desirable at its discretion to accomplish the matters set forth in this Section 6.7.

6.7.2 If the Partnership is subject to any Entity Taxes, the General Partner shall allocate among the Partners (or Former Partners) such Entity Taxes in a manner it determines to be fair and equitable by deducting amounts from Capital Accounts or reducing amounts otherwise distributable to Partners or payable to Partners upon withdrawal, taking into account any modifications attributable to a Partner pursuant to Section 6225(c) of the BBA Rules (if applicable). Any Entity Taxes so allocated shall be subject to the provisions of Section 3.8. To the extent that a portion of the Entity Taxes for a prior year relates to a Former Partner, the General Partner may require a Former Partner to reimburse and/or indemnify the Partnership for its allocable portion of such Entity Taxes; provided, however, that if the General Partner determines in its discretion that seeking such reimbursement or indemnification is not practicable, or that seeking such reimbursement or indemnification has failed, then, in either case, the General Partner may treat such portion as an operational expense as described in Section 8.2. Each Limited Partner acknowledges that, notwithstanding the Transfer or withdrawal of all or any portion of its Interest in the Partnership, pursuant to this Section 6.7.2, it shall remain liable for tax liabilities with respect to its allocable share of income and gain of the Partnership for the Partnership's Taxable Years (or portions thereof) prior to such Transfer or withdrawal, as applicable, under the BBA Rules. The Partners acknowledge and agree that the General Partner and Partnership Representative shall be permitted to take any actions to avoid

Entity Taxes being imposed on the Partnership or any of its subsidiaries under the BBA Rules. Each Limited Partner agrees that, notwithstanding the Transfer or withdrawal of all or any portion of its Interest in the Partnership, if requested by the General Partner, it shall provide the appropriate Internal Revenue Service Form W-8 or W-9 or any other certificate or documentation which the General Partner reasonably determines is necessary to reduce Entity Taxes.

Section 6.8 Addition of General Partners. The General Partner may, if it deems it in the best interest of the Partnership, admit one or more additional General Partners (which may also be Limited Partners) without the consent of the Limited Partners. Such additional General Partner or Partners shall become General Partner(s) upon the last to occur of the following: (a) their making their respective Capital Contributions, if required; (b) the execution by the additional general partner of this Agreement in its capacity as a General Partner, and; (c) the filing of a Certificate of Amendment to the Partnership's Certificate of Limited Partnership in accordance with the Act, if required. Such Person shall thereupon be included in the definition of Partners or General Partner, as the case may be, and be deemed to be parties to this Agreement, for all purposes of this Agreement.

Section 6.9 Key Person. If at any time Daniel S. Loeb is no longer actively engaged in formulating the investment philosophy of the Investment Manager, whether by death, disability, ceasing to directly or indirectly control the Investment Manager or the General Partner, or otherwise (a "Key Person Event"), the General Partner shall promptly notify all Limited Partners. Within 30 days following the Key Person Event, the General Partner shall determine a date on which Limited Partners may withdraw any or all of their Capital Accounts as of a month end not earlier than 60 days, nor later than 120 days, following the Key Person Event (such withdrawal date the "Key Person Withdrawal Date" and the period from the Key Person Event to the Key Person Withdrawal Date being the "Interim Period"). During the Interim Period, a Limited Partner may request to withdraw any or all of its Capital Account, upon at least 30 days prior written notice to the General Partner, as of the Key Person Withdrawal Date. The Fund-Level Gate shall not apply to such withdrawal, and distribution of such withdrawal proceeds shall be made on terms described above for regular withdrawals. Regular quarterly withdrawal requests may be suspended or distributed on a *pro rata* basis in whole or in part, in the discretion of the General Partner, during the Interim Period.

## ARTICLE VII

## Rights and Obligations of Limited Partners

Section 7.1 No Participation in Management. No Limited Partner, in its capacity as such, shall participate in the control of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or bind the Partnership in any other way.

Section 7.2 Liability of Partners.

7.2.1 Except as otherwise expressly provided in the Act, the debts, obligations and liabilities of the Partnership, whether arising in contract, tort or otherwise, shall

be solely the debts, obligations and liabilities of the Partnership, and a Limited Partner shall not be obligated personally for any such debt, obligation or liability of the Partnership solely by reason of being a Limited Partner; provided, however, that a Limited Partner or Former Partner shall be required to contribute to the Partnership any amounts required under the Act and pursuant to Section 3.8 and Section 6.7.2.

7.2.2 Except as otherwise provided in the Act, the General Partner shall have unlimited liability for the repayment and discharge of all debts, obligations and liabilities of the Partnership to the extent the assets of the Partnership are inadequate. Neither the General Partner nor any of its Affiliates (other than the Partnership), shall be liable for the return of the Capital Contributions of any Limited Partner, and each Limited Partner hereby waives any and all claims that it may have against the General Partner or any Affiliate thereof (other than, for the avoidance of doubt, the Partnership) in this regard.

Section 7.3 Termination of Limited Partner. The termination, bankruptcy, insolvency or dissolution (collectively, "Termination Event") of a Limited Partner shall not cause a dissolution of the Partnership. The legal representatives of a Limited Partner shall succeed as assignee to the Limited Partner's interest in the Partnership upon a Termination Event of such Limited Partner, but shall not be admitted as a substituted Partner without the consent of the General Partner, in its discretion. Distributions in respect of withdrawal requests by such Limited Partner's legal representatives shall be made on the same terms, and shall be subject to the same conditions, as set forth in Article III in respect of a withdrawal by a Limited Partner of its Capital Account.

Section 7.4 Involuntary Withdrawal. Any Limited Partner's Interest in the Partnership may be terminated at any time, in whole or in part, upon prior written notice by the General Partner, if the General Partner determines the termination to be in the best interest of the Partnership. The notice of termination shall have the same effect as a notice of withdrawal given by the Limited Partner pursuant to Section 3.5 of this Agreement, and the Limited Partner receiving the notice shall be treated for all purposes and in all respects as a Limited Partner who has given such a notice of withdrawal.

Section 7.5 Assignability of Interest. Without the prior written consent of the General Partner, which consent may be granted or withheld in its discretion, a Limited Partner may not make a Transfer. With the prior written consent of the General Partner, which may be given or withheld in its discretion and subject to such terms and conditions determined by the General Partner in its discretion, a Limited Partner may make a Transfer (a) in circumstances in which the tax basis of the Interest in the hands of the Transferee is determined, in whole or in part, by reference to its tax basis in the hands of the Transferor; (b) to members of such Limited Partner's immediate family (brothers, sisters, spouse, parents and children); or (c) as a distribution from a qualified retirement plan or an individual retirement account. The General Partner may also permit other Transfers under such other terms and conditions as it, in its discretion, deems appropriate; provided, however, that prior to any such other Transfer, the General Partner shall consult with counsel to the Partnership to ensure that such Transfer, alone or taken together with other Transfers and withdrawals, shall not cause the Partnership or the Third Point Funds to be treated as a "publicly traded partnership" taxable as a corporation within

the meaning of Section 7704 of the Code. Any attempted Transfer not made in accordance with this Section 7.5, to the fullest extent permitted by law, shall be void and of no force and effect.

Section 7.6 Priority. Except as specifically provided in this Agreement, no Limited Partner is given any priority over any other Limited Partner as to the return of contributions or as to compensation by way of income.

## ARTICLE VIII

## Expenses and Management Fee

Section 8.1 Organizational Expenses. All expenses incurred in connection with the organization of the Partnership, including the legal and accounting expenses and other costs incurred in organizing the Partnership and in connection with the initial offering of the Interests, shall be borne by the Partnership. Such organizational costs may be amortized by the Partnership for tax purposes over 180 months under Section 709 of Code, and for accounting purposes may be amortized over 60 months or such other period deemed appropriate by the General Partner. GAAP may require that such costs be expensed when incurred for accounting purposes. Even if GAAP requires expensing when incurred, for purposes of determining the Partnership's net asset value, such costs may be amortized over 60 months or such other period deemed appropriate by the General Partner in its discretion, and the net asset value determination therefore may differ from GAAP. Amortization of organizational expenses may, in certain circumstances, result in a qualification of the Partnership's annual audited financial statements.

If a Limited Partner withdraws all or a portion of its Capital Account prior to the end of the period during which the Partnership is amortizing expenses, the General Partner expects (but is not obligated) to accelerate a proportionate share (as determined based on the net asset value of such Limited Partner's Capital Account relative to the net asset value of the Partnership) of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

Section 8.2 Operational Expenses. Any and all expenses incurred by or on behalf of the Partnership in connection with, or that otherwise pertain to or are incidental to the Partnership's organization (including the offering of Interests), administration, investments and operations, other than those borne by the Investment Manager, shall be borne by the Partnership. In addition, the Partnership shall bear the costs of certain services to be provided to the Partnership. Costs which shall be borne by the Partnership include, but are not limited to, trade support services including, but not limited to, pre-trade and post-trade support software and support services relating thereto, risk analysis and risk reporting and specialized consulting services, fund accounting, auditing, tax preparation, legal fees, insurance (other than fire and theft insurance), interest costs, taxes (including Entity Taxes only to the extent such taxes are treated as operational expenses under this Section 8.2 pursuant to Section 6.7.2), custodian and brokerage, and transfer agency services, as well as the fees and expenses of consultants that provide specialized data and/or analysis as to companies, portfolio companies, sectors or asset classes in which the Partnership has made or intends to make an investment, and the fees of the Administrator. The Partnership shall also bear its share of the costs of publications and periodicals, data base services and data processing that are directly related to research activities

on behalf of the Partnership and other clients. The Partnership shall also bear any costs associated with contemplated or actual investments or proxy solicitation contests and the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related Hart-Scott-Rodino filings) by the Investment Manager (including regulatory filings of such letters) in connection with the Partnership's investments. Certain expenses reasonably deemed attributable only to a particular Limited Partner or group of Capital Accounts shall be allocated to such Limited Partner or Capital Accounts.

In addition, the Third Point Funds shall directly bear such similar costs directly relating to their ongoing existence and investment process (which costs are therefore indirectly borne by the Partnership as an investor in the Third Point Funds).

Expenses relating to the Partnership's operations to be borne by the Investment Manager shall be limited to the following: data base services, data processing, publications and periodicals (in the case of each of data base services, data processing and publications and periodicals, only to the extent that such expense is not related to research activities on behalf of the Partnership), statistical services, salaries and fringe benefits of clerical and secretarial personnel employed by the Partnership, the General Partner or the Investment Manager, travel costs of the General Partner or the Investment Manager incurred in connection with the Partnership's investments, rent, the costs of telephone, office equipment, furniture, fire and theft insurance, heat, lighting, cleaning, power, water and utilities incurred for the benefit of the General Partner or the Investment Manager.

Section 8.3 Management Fee.

8.3.1 Pursuant to the Investment Management Agreement, the Partnership shall pay to the Investment Manager a fixed management fee, payable quarterly in advance, with respect to each Limited Partner's Capital Account corresponding to the Quarterly Liquidity Interests, equal to 0.50% per quarter (2.00% *per annum*) of the net asset value of such Capital Account attributable to Fixed Income Investments (the "Management Fee"). In determining the amount of the Management Fee allocable to each Limited Partner, the General Partner shall make such equitable adjustments as are necessary to reflect the admission of, and withdrawals or distributions paid to, one or more Limited Partners during the Fiscal Year. If this Agreement is terminated on any day other than the last day of a calendar quarter, any unearned portion of the prepaid quarterly fee for the quarter in which this Agreement is terminated, with respect to a Limited Partner, shall be refunded by the Investment Manager or its Affiliate, as the case may be, to the Partnership and allocated to that Limited Partner's Capital Account.

8.3.2 The Management Fee shall be reduced by an amount equal to 0.0625% per quarter (0.25% *per annum*) to the extent the Partnership has (i) been invested in the TP Funds continuously for five years or more ("Tenure") or (ii) Net Invested Amounts in an amount equal to $200 million or more.

8.3.3 If new or existing Limited Partners make Capital Contributions on any date other than as of the first day of a calendar quarter, a *pro rata* portion of the Management

Fee shall be paid out of such Capital Contribution, based on the actual number of days remaining in such partial quarter.

8.3.4 The General Partner, in its discretion, may elect to reduce, waive or calculate differently the Management Fee with respect to any Limited Partner.

8.3.5 Notwithstanding the foregoing, the General Partner may elect to have the Management Fee paid to the Investment Manager (or to any of its Affiliates) at the level of any Special Purpose Vehicle through which the investment program of the Partnership is being effectuated without receiving consent from existing Limited Partners, for so long as such election does not result in any material adverse economic consequences to the Limited Partners.

8.3.6 In the event that the General Partner suspends fund asset valuations, withdrawals and/or payment of withdrawal proceeds from the Limited Partners' Capital Accounts in accordance with Section 3.7, then, effective as of the first day of the first calendar quarter following the one-year anniversary of such suspension, the Management Fee will be reduced (but not below zero) by an amount equal to 0.0625% per quarter (0.25% *per annum*), and will be further reduced (but not below zero) during the relevant suspension period by an amount equal to 0.0625% per quarter (0.25% *per annum*) as of the first day of each second calendar quarter thereafter. Any such reduced rate shall remain in effect until the General Partner terminates such suspension and the Management Fee rate shall be reset to the applicable rate described in this Agreement as of the first day of the calendar quarter following the date on which such suspension is terminated. By way of example, if the General Partner suspends fund asset valuations effective as of February 1, 2022, then, the Management Fee rate applicable to Quarterly Liquidity Interests will be reduced from 0.50% (2.00% *per annum*) to 0.4375% (1.75% *per annum*) effective as of April 1, 2023, and will be further reduced to 0.375% (1.50% *per annum*) effective as of October 1, 2023.

Section 8.4 Assignment of Investment Advisory Contract. In its discretion, the General Partner may enter into any transaction with respect to (a) any investment advisory contract between the Partnership and the Investment Manager; or (b) the General Partner's interest in the Partnership (each, a "GP Transaction"); provided, that the General Partner may only enter into a GP Transaction that would constitute an "assignment" as such term is defined under the Advisers Act with the consent of a Majority-in-Interest of the then-Nonaffiliated Limited Partners.

## ARTICLE IX

## Dissolution and Winding Up

Section 9.1 Dissolution and Winding Up. On dissolution of the Partnership, the General Partner (or, if there is no General Partner, one or more Persons selected by the Majority-in-Interest of the then-Limited Partners) shall wind up the Partnership's affairs and shall distribute the Partnership's assets in cash or in-kind in the following manner and order:

9.1.1 in satisfaction of the claims of all creditors of the Partnership, other than the General Partner;

9.1.2 in satisfaction of the claims of the General Partner as a creditor of the Partnership; and

9.1.3 any balance to the Partners in the relative proportions that their respective Capital Accounts bear to each other, such Capital Accounts to be determined as of the Fiscal Year of the Partnership ended on the date of final liquidation.

Any distribution of assets in-kind shall be allocated to the Partners by the General Partner, to the extent practicable, on a proportionate basis. If any distributions in-kind are made in connection with the dissolution and winding-up of the Partnership, the General Partner shall (a) make such distributions in-kind in accordance with Section 3.5.3 and Section 3.5.4; or (b) (i) immediately prior to such distribution in-kind, determine the Fair Value of such in-kind proceeds and adjust the Capital Accounts of all Partners upwards or downwards to reflect the difference between the book value and the Fair Value thereof, as if such gain or loss had been recognized upon an actual sale of such property on such date and allocated pursuant to Section 4.1.2; and (ii) at the time of such distribution, reduce the Capital Account(s) of the distributee Partner by the Fair Value of such in-kind proceeds distributed to such Partner.

## ARTICLE X

## Amendments

Section 10.1 Amendment of Agreement.

10.1.1 The terms and provisions of this Agreement may be modified or amended at any time and from time to time by the consent of a Majority-in-Interest of the then-Limited Partners and the affirmative written consent of the General Partner, except that:

10.1.1.1 without the consent of the Limited Partners, the General Partner may amend this Agreement to: (a) reflect a change in the name of the Partnership; (b) change the provisions relating to the Incentive Fee as provided in, and subject to the provisions of, Section 4.1.3; (c) make any change that is necessary or, in the opinion of the General Partner, advisable to qualify the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or non-U.S. jurisdiction, or ensure that the Partnership shall not be treated as an association taxable as a corporation or as a publicly traded partnership taxable as a corporation for Federal tax purposes; (d) make any change that does not adversely affect the Limited Partners in any material respect; (e) make any change that is necessary or desirable to cure any ambiguity, to correct or supplement any provision in this Agreement that would be inconsistent with any other provision in this Agreement, or to make any other provision with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement, in each case so long as such change does not adversely affect the Limited Partners in any material respect; (f) correct any printing, stenographic or clerical error or effect changes of an administrative or ministerial nature which do not increase the authority of the General Partner in any material respect or adversely affect the Limited Partners in any material respect; (g) make any change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any Federal, state or

non-U.S. governmental entity, so long as such change is made in a manner that minimizes any adverse effect on the Limited Partners; (h) prevent the Partnership from in any manner being deemed an "investment company" subject to the provisions of the 1940 Act; (i) enable, when applicable, the Partnership (A) to elect any alternative to the Partnership's payment of any amount under the BBA Rules; or (B) to avoid or minimize Entity Taxes; (j) prevent the Partnership's assets from being deemed to be "plan assets" for the purposes of ERISA and the Code; or (k) make any other amendments similar to the foregoing.

10.1.1.2 With respect to an amendment proposed by the General Partner that materially and adversely directly affects only certain Limited Partners, the General Partner may effect such amendment with the consent of a Majority-in-Interest of the then-affected Limited Partners.

10.1.1.3 With respect to an amendment proposed by the General Partner that amends this Section 10.1, the General Partner may effect such amendment with the consent of the then-Limited Partners having two-thirds or more of the aggregate Partnership Percentages of the then-Limited Partners.

10.1.2 A Limited Partner shall be deemed to have consented to a proposed modification or amendment pursuant to this Section 10.1 or any other action that requires the consent of the Limited Partners according to the terms of this Agreement if (x) it fails to object to such modification, proposed amendment or such other action within 30 days from the date such Limited Partner is first notified of the modification, proposed amendment or such other action (the "Objection Period"); and (y) the General Partner has used reasonable efforts to contact any non-responsive Limited Partner at least two additional times during the Objection Period; provided, that the Objection Period may be shorter than 30 days if the General Partner determines in its discretion that circumstances prevalent at the time require a shorter period, in which case the General Partner shall notify each Limited Partner of such shorter Objection Period at the time the original solicitation for approval is made and each such Limited Partner must object to any proposed modification, amendment or such other action within such shorter Objection Period.

10.1.3 A Partner may divide its Interests for purposes of exercising any consent rights under this Agreement.

10.1.4 Notwithstanding anything to the contrary in this Section 10.1, the General Partner may amend this Agreement without the consent of the Limited Partners, at any time and without limitation, if any Limited Partner that would be materially and adversely directly affected by such amendment is given a reasonable opportunity to withdraw from the Partnership on a Withdrawal Date that is prior to the effective date of such amendment.

10.1.5 Any amendment adopted in accordance with this Section 10.1 shall not require signature by the Limited Partners of any such amendment, and shall be deemed amended as if all parties hereto had executed such amendment.

10.1.6 Notwithstanding any other term of this Agreement, the consent of, or notice to, any Person who is not a party to this Agreement is not required for any amendment to, or variation, release, rescission or termination of this Agreement.

## ARTICLE XI

## Power of Attorney

Section 11.1 Power of Attorney. Each Limited Partner, in executing this Agreement, appoints the General Partner, or the Managing Member thereof acting individually, as the Limited Partner's true and lawful attorney-in-fact, with full power and authority in the Limited Partner's name, place and stead to execute, acknowledge, deliver, swear to, file and record at the appropriate public offices those documents and instruments as may be necessary or appropriate to carry out the provisions of this Agreement, including:

11.1.1 the Certificate of Limited Partnership and any amendments to the Certificate of Limited Partnership as may be required;

11.1.2 any duly adopted amendment to this Agreement;

11.1.3 all other certificates and instruments or amendments of those certificates and instruments that the General Partner deems appropriate to qualify or continue the Partnership as a limited partnership in any jurisdiction in which the Partnership may conduct business, or to admit the Persons listed on the books and records of the Partnership as Limited Partners; and

11.1.4 all certificates or instruments that the General Partner deems appropriate to reflect the dissolution and termination of the Partnership.

The foregoing appointment shall be deemed irrevocable and to be a power coupled with an interest and shall survive the incapacity of any Person giving the power, the dissolution of any corporation or partnership giving the power or the termination of any trust giving the power.

## ARTICLE XII

## Confidentiality

Section 12.1 Confidentiality.

12.1.1 In connection with the Partnership's ongoing business, the Limited Partners may receive or have access to Confidential Material. Subject to express permissions granted under any Other Agreement between a Limited Partner and the General Partner (including a Subscription Agreement), each Limited Partner shall keep confidential, and not make any use of (other than for purposes reasonably related to its Interest or for purposes of filing such Limited Partner's tax returns) or disclose to any Person, any Confidential Material except (a) to its Representatives on a need-to-know basis; or (b) as otherwise requested or required by any governmental or regulatory authority, law or regulation, or by legal process (and, with respect to clause (b), only in compliance with Section 12.1.2). Each Limited Partner and its

Representatives shall keep the existence of the Confidential Material confidential and shall exercise at least the same care with respect to the Confidential Material as such Limited Partner would exercise with respect to its own proprietary and confidential material. Each Limited Partner shall advise its Representatives of the confidential nature of the Confidential Material and shall have such Representatives agree to keep and maintain such information confidential. Each Limited Partner shall be responsible for any actions taken by its Representatives that would be deemed a breach of this Agreement if such Limited Partner had taken such actions.

12.1.2 In the event that a Limited Partner or its Representatives are requested or required by any governmental or regulatory authority, law or regulation, or by legal process to disclose any Confidential Material, such Limited Partner shall give the General Partner prompt written notice of such request or requirement so that the General Partner may seek an appropriate order or other remedy protecting the Confidential Material from disclosure, and such Limited Partner shall cooperate with the General Partner to obtain such protective order or other remedy. In the event that a protective order or other remedy is not obtained, or the General Partner waives its rights to seek such an order or other remedy, such Limited Partner (or its Representatives to whom such request is directed) may, without liability under this Agreement, furnish only that portion of the Confidential Material which, in the written opinion of such Limited Partner's counsel, such Limited Partner (or its Representatives) are legally required to disclose; provided, that such Limited Partner gives the General Partner written notice of the information to be disclosed as far in advance of its disclosure as practicable and such Limited Partner uses its best efforts to obtain assurances that confidential treatment shall be accorded to such information.

12.1.3 Notwithstanding anything in this Agreement to the contrary, to the extent required by applicable Treasury Regulations, each Partner (and each employee, representative or other agent of such Partner) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of (a) the Partnership; and (b) any of its transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Partner relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of the Partnership or a transaction. Prior to making any disclosure required by any regulatory authority, law or regulation, or by legal process, each Limited Partner shall use its reasonable best efforts to notify the General Partner of such disclosure. Nothing herein shall limit any Partner's right to initiate communications with governmental and regulatory authorities at any time.

Section 12.2 Equitable and Injunctive Relief. The Partners acknowledge that (a) the provisions of Section 12.1 hereof are intended to preserve the unique relationship between the Partners; and (b) the provisions of Section 12.1 are intended to preserve the value and goodwill of the Partnership's business; and that, in the event of a breach or a threatened breach by any Partner (or its Representatives) of its obligations under Section 12.1, the other Partners may not have an adequate remedy at law. Accordingly, in the event of any such breach or threatened breach by a Partner or its Representatives, any of the other Partners shall be entitled to seek such equitable and injunctive relief as may be available to restrain such Partner and any Person participating in such breach or threatened breach from the violation of the provisions thereof. Nothing in this Agreement shall be construed as prohibiting a Partner from pursuing any

other remedies available at law or in equity for such breach or threatened breach, including the recovery of damages.

## ARTICLE XIII

## Miscellaneous

Section 13.1 Notices. Notices that may or are required to be given under this Agreement by any Partner shall be in writing and shall be deemed to have been duly given: (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent via facsimile or electronic mail transmission, and telephonic or electronic mail confirmation of receipt is obtained promptly after completion of transmission; (c) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (d) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, addressed to the respective parties at their addresses set forth in the books and records of the Partnership, or to any other addresses designated by any Partner by notice addressed to the Partnership in the case of any Limited Partner, and to the Limited Partners in the case of the General Partner. Notices that may or are required to be given under this Agreement by any Partner to the Partnership shall be addressed to the Partnership, 55 Hudson Yards, New York, New York 10001, or to any other address designated by the General Partner by notice addressed to the Limited Partners.

Section 13.2 Governing Law. This Agreement, and the rights of the Partners under it, shall be governed by the laws of the State of Delaware.

Section 13.3 No Third Party Beneficiaries. Except for the provisions of Section 6.5, the provisions of this Agreement, including the provisions of Section 7.2, are not intended to be for the benefit of any creditor or other Person (other than the Partners in their capacities as such) to which any debts, liabilities or obligations are owed by (or who otherwise have a claim against or dealings with) the Partnership or any Partner, and, to the fullest extent permitted by law, no such creditor or other Person shall obtain any rights under any of such provisions (whether as a third-party beneficiary or otherwise) or shall by reason of any such provisions have a right to make any claim in respect to any debt, liability or obligation (or otherwise) including any debt, liability or obligation against the Partnership or any Partner; provided, that, without the prior explicit and written consent of the General Partner (such consent to refer specifically to this Section 13.3), no Indemnified Person (other than the General Partner and the Investment Manager) shall be entitled to claim the benefit of any right otherwise accruing to such Indemnified Person under Section 6.5.

Section 13.4 Entire Agreement. This Agreement, each Subscription Agreement and, with reference to a Limited Partner that has entered into an Other Agreement and/or a separate confidentiality agreement with the General Partner, the Investment Manager or any of their respective Affiliates, such Other Agreement and/or confidentiality agreement, supersede any and all existing agreements, oral or written, between or among the Partnership, the General Partner and the Limited Partners, with respect to the Partnership. The parties hereto acknowledge and agree that the Partnership and/or the General Partner, without the approval of

any Limited Partner, may enter into Other Agreements with Limited Partners that have the effect of establishing rights under, or altering or supplementing the terms of, this Agreement. The parties hereto acknowledge and agree that any rights established, or any terms of this Agreement altered or supplemented in such Other Agreement with a Limited Partner, shall govern with respect to such Limited Partner notwithstanding any other provision of this Agreement.

Section 13.5 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section 13.6 Interpretation. All pronouns used herein and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person may require. Any reference to any federal, state, local or foreign statute or law is deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" means including without limitation. The word "or" is not exclusive. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

Section 13.7 Partners Not Agents. Nothing contained in this Agreement shall be construed to constitute any Partner the agent of another Partner, except as specifically provided in this Agreement, or in any manner to limit the Partners in the carrying on of their own respective businesses or activities.

Section 13.8 Severability. Each provision of this Agreement is intended to be severable. A determination that a particular provision of this Agreement is illegal or invalid shall not affect the validity of the remainder of the Agreement.

Section 13.9 Investment Representation. By executing this Agreement, each Limited Partner confirms that it (a) is acquiring its Interest in the Partnership for its own account, for investment and not with a view to the distribution of the Interest; (b) is fully able to bear the economic risks of becoming a Limited Partner; (c) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks inherent in becoming a Limited Partner; and (d) is (i) an Insurance Company; or (ii) a partnership, limited liability company, trust or other pass-through entity whose underlying beneficial owners are comprised solely of Insurance Companies; provided, that (A) any such Insurance Company maintains Segregated Accounts; (B) such Insurance Company invests (directly or indirectly) only assets held in the Segregated Account or Segregated Accounts in the Partnership; and (C) such Insurance Company, such Segregated Accounts and the owners of such "variable contracts" qualify as "accredited investors" (within the meaning of Rule 501(a) under the 1933 Act) and "qualified purchasers" (within the meaning of Section 2(a)(51) of the 1940 Act).

Section 13.10 Discretion. Whenever in this Agreement the General Partner is permitted or required to make a decision in its "discretion," "sole discretion" or under a grant of similar authority or latitude, the General Partner shall be entitled to consider the Partnership's interests as well as such other interests and factors as it desires, including its own interests and the interests of its Affiliates, and the General Partner may exercise its discretion differently with respect to different Limited Partners.

Section 13.11 Venue. Any action, proceeding or claim relating in any way to, arising out of or concerning this Agreement or the Partnership's affairs shall be brought and maintained exclusively in the Chancery Court of the State of Delaware, and each party irrevocably consents to the jurisdiction of such courts to the broadest extent possible for any such action, proceeding or claim and waives any objection to proceeding there that such party might have on the basis of inconvenient forum, improper venue or otherwise; provided, that if the Chancery Court of the State of Delaware would not have or are found not to have subject matter jurisdiction over any action, proceeding or claim relating in any way to, arising out of or concerning this Agreement or the Partnership's affairs, such action, proceeding or claim shall be brought and maintained exclusively in the Federal courts located in New York County, and each party irrevocably consents to the jurisdiction of such courts to the broadest extent possible for any such action, proceeding or claim and waives any objection to proceeding there that such party might have on the basis of inconvenient forum, improper venue or otherwise.

Section 13.12 Waiver of Partition. Except as may otherwise be required by law in connection with the winding up, liquidation and dissolution of the Partnership, each Partner hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Partnership's property.

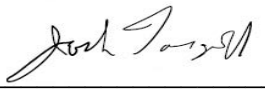
Section 13.13 Waiver of Jury Trial**. EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS WAIVER APPLIES TO ANY LEGAL ACTION OR PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY ACKNOWLEDGES THAT IT HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL. THE PARTNERSHIP OR ANY PARTNER MAY FILE AN ORIGINAL COUNTERPART OR COPY OF THIS SECTION 13.13 WITH ANY COURT OR JURISDICTION AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTNERS TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.**

Section 13.14 Survival. The provisions of Section 3.8, Section 4.1.4.4, Section 6.5, Section 6.7, Section 7.2, Section 12.1, Section 12.2, Section 13.2, Section 13.8, Section 13.11, Section 13.12, Section 13.13 and this Section 13.14 shall survive the termination of this Agreement, the termination of the Investment Management Agreement and/or the resignation of the General Partner of the Partnership.

[Signature page follows.]

IN WITNESS WHEREOF, the General Partner has executed this Agreement as of the date first above written.

**THIRD POINT ADVISORS L.L.C.,**

By: 

Name: Josh Targoff
Title: Partner, COO and General Counsel

FIFTH AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT SIGNATURE PAGE

Third Point Insurance Dedicated Fund LP

By its signature below, the undersigned hereby agrees that effective as of the date of its admission to **Third Point Insurance Dedicated Fund LP** as a Limited Partner it shall (a) be bound by each and every term and provision of the Fifth Amended and Restated Limited Partnership Agreement of **Third Point Insurance Dedicated Fund LP** as the same may be duly amended from time to time in accordance with the provisions thereof; and (b) become and be a party to said Fifth Amended and Restated Limited Partnership Agreement of **Third Point Insurance Dedicated Fund LP**

**LIMITED PARTNER**

_____
Print name of Limited Partner

_____
Signature of individual signing on behalf of institution

_____
Name of individual signing on behalf of institution (please type or print)

_____
Title