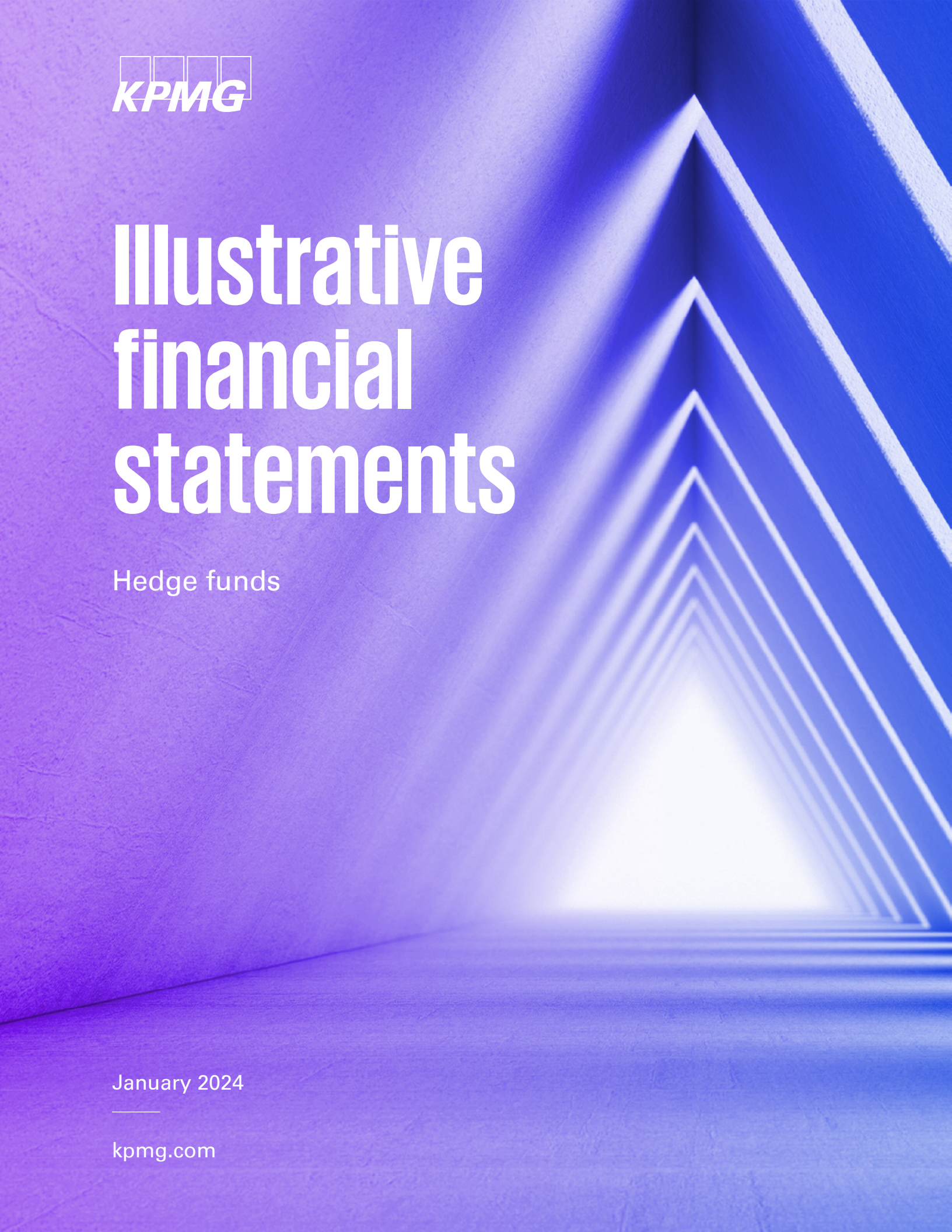
KPMG

Illustrative financial statements

Hedge funds



January 2024

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The information contained in these illustrative financial statements is of a general nature related to private investment companies only and is not intended to address the circumstances of any particular entity.

The form and content of financial statements are the responsibility of the specific entity's management. These illustrative financial statements:

(a) are intended to provide general information on applying accounting principles generally accepted in the United States of America effective as of September 30, 2023, and do not include all possible disclosures that may be required for private investment companies; (b) are not intended to be a substitute for management's review of applicable law or accounting standards or for professional judgment as to the adequacy of disclosures and fairness of presentation; and (c) are being provided with the understanding that the information contained herein should not be construed as legal, accounting, tax, or other professional advice or services and that no one should act on any information contained herein without the appropriate professional advice provided in connection with the entity's particular situation. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Certain information contained in these illustrative financial statements may be superseded as new guidance or interpretations are issued. Financial statement preparers and other users of these illustrative financial statements are therefore cautioned to stay informed of, and carefully evaluate, subsequent authoritative and interpretative guidance

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Domestic Fund, L.P.

Please refer to the conditions of use on the inside cover of this publication.

References to the relevant literature are included in the left-hand margin.

The following abbreviations are used for technical references:

ASC	FASB Accounting Standards Codification
ATQA	AICPA Technical Questions and Answers
AAG-INV	AICPA Audit and Accounting Guide, Investment Companies
CFTC	Commodity Futures Trading Commission

Domestic Fund, L.P.

ASC 946-205-45-1 Statement of assets and liabilities

December 31, 20XX

	Assets	
	Securities, at fair value (cost $662,033,000)	$769,340,000
	Digital assets, at fair value (cost 11,000,000)	42,596,000
	Private investment companies, at fair value (cost $184,491,000)	190,546,000
	Derivative contracts, at fair value (cost $69,051,000)	133,588,000
	Securities purchased under agreements to resell, at fair value (cost $12,450,000)	12,450,000
ASC 946-210-45-20	Cash and cash equivalents	8,952,000
ASC-946-210-45-21	Cash denominated in foreign currencies (cost $592,000)	543,000
	Due from brokers	1,987,000
	Due from cryptocurrency exchanges	1,000,000
ASC 946-310-45-1	Receivables for pending investment transactions	260,000
	Collateral posted with counterparties for derivative contracts	14,837,000
ASC 946-310-45-1	Dividends and interest receivable	1,167,000
	Other assets	218,000
	Total assets	**1,177,484,000**
	Liabilities	
	Securities sold short, at fair value (proceeds $583,633,000)	550,431,000
	Derivative contracts, at fair value (proceeds $19,052,000 and up-front premiums received $4,828,000)	155,435,000
	Due to brokers	18,632,000
ASC 946-405-45-1	Payables for pending investment transactions	559,000
	Securities sold under agreements to repurchase	10,000,000
ASC 946-405-45-2	Payable upon return of securities loaned	530,000
ASC 850-10-50-1	Due to related parties	150,000
ASC 480-10-45-1	Capital withdrawals payable	5,879,000
	Advance capital contributions	1,000,000
	Management fee payable	930,000
	Dividends and interest payable	598,000
	Accrued expenses and other liabilities	95,000
	Total liabilities	**744,239,000**
ASC 946-20-50-14	**Partners' capital**	**$433,245,000**

[1] See Appendix B for sample presentation of condensed schedule of investments for investments in private investment companies.

See accompanying notes to the financial statements.

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Domestic Fund, L.P.

ASC 946-205-45-1

Condensed schedule of investments

December 31, 20XX	Percentage of partners' capital	Fair value
Securities, at fair value		
ASC 946-210-50-6 **Common stocks**		
United States		
Banking		
Public Banking Company A, 1,499,611 shares[1]	6.9%	$29,871,000
Other	17.2	74,622,000
Manufacturing		
Public Manufacturing Company A, 2,649,160 shares	7.5	32,458,000
Other	14.3	61,989,000
Consumer discretionary	20.7	89,682,000
Healthcare	18.7	81,038,000
Real estate	10.4	44,961,000
Total – United States (cost $330,510,000)	**95.7**	**414,621,000**
United Kingdom		
Manufacturing		
Public Manufacturing Company B,1,540,000 shares	8.9	38,571,000
Telecommunications	7.9	34,104,000
Total – United Kingdom (cost $41,345,000)	**16.8**	**72,675,000**
Total – Common stocks (cost $371,855,000)	**112.5**	**487,296,000**
Public preferred stocks		
United States		
Banking		
Public Banking Company A, Class B, 500,590 shares	5.5	23,828,000
Other	8.5	36,858,000
Information technology	8.3	35,914,000
Total – United States (cost $56,958,000)	**22.3**	**96,600,000**
Private preferred stocks		
Canada		
Information technology (cost $16,581,000)	4.6	19,937,000
Total – Preferred stocks (cost $73,539,000)	**26.9**	**116,537,000**
Exchange-traded funds		
United States		
Real estate (cost $21,834,000)	4.5	19,567,000

[1] See Appendix E for an alternate presentation of investments that constitute more than 5% of the net assets of the Fund, separate from the presentation of investments by category in the condensed schedule of investments.

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Domestic Fund, L.P.

Condensed schedule of investments (continued)

December 31, 20XX	Percentage of partners' capital	Fair value
Securities, at fair value (continued)		
Corporate bonds		
United States		
Banking		
Public Banking Company A, X.X%, due 7/15/20XX, principal $25,000,000	5.2%	$22,662,000
Telecommunications	4.3	18,456,000
Total – United States (cost $43,381,000)	**9.5**	**41,118,000**
United Kingdom		
Manufacturing (cost $17,891,000)	4.8	20,947,000
Total – Corporate bonds (cost $61,272,000)	**14.3**	**62,065,000**
Government bonds		
United States		
U.S. Treasury bills, X.X%, due 4/1/20XX, principal $22,500,000 (cost $22,500,000)	**5.2**	**22,391,000**
Municipal bonds		
United States		
Construction		
Municipality A, X.X%, due 4/1/20XX, principal $25,000,000	5.2	22,592,000
Water	2.0	8,451,000
Highway	0.1	491,000
Total – Municipal bonds (cost $28,518,000)	**7.3**	**31,534,000**
Asset-backed securities		
United States		
Senior debt		
High-yield CLO, X.X%, due 1/31/20XX, principal $12,500,000	3.0	12,941,000
Other	1.7	7,491,000
Total – Senior debt (cost $40,415,000)	**4.7**	**20,432,000**
Mezzanine debt		
High-yield CLO, X.X%, due 3/31/20XX, principal $12,500,000 (cost $25,519,000)	2.2	9,518,000
Total – Asset-backed securities (cost $65,934,000)	**6.9**	**29,950,000**
Total – Securities, at fair value (cost $662,033,000)	**177.6%**	**$769,340,000**

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Domestic Fund, L.P.

Condensed schedule of investments (continued)

December 31, 20XX	Percentage of partners' capital	Fair value
Digital assets, at fair value		
Cryptocurrencies		
Cryptocurrency A, 1,200 units	8.1%	$35,133,800
Other	1.7	7,462,200
Total digital assets, at fair value (cost $11,000,000)	**9.8**	**42,596,000**
Derivative contracts (assets), at fair value		
Warrants purchased		
United Kingdom		
Banking	7.4%	$32,209,000
Telecommunications	3.4	14,581,000
Total – Warrants purchased (cost $43,266,000)	**10.8**	**46,790,000**
Total return swaps		
United States		
Manufacturing		
Public Manufacturing Company A, expire from 1/31/20XX to 12/31/20XX	6.5	27,954,000
Other	2.4	10,365,000
Banking	5.1	22,231,000
Total – Total return swaps	**14.0**	**60,550,000**
Swaptions		
Interest rate (cost $53,000)	**0.1**	**282,000**
Option contracts purchased		
Call options purchased		
United States		
Healthcare		
Public Healthcare Company A, expire 1/31/20XX (cost $21,839,000)	**5.5%**	**23,807,000**
Put options purchased		
United States		
Biotechnology (cost $3,893,000)	0.5	2,159,000
Total – Option contracts purchased (cost $25,732,000)	**6.0**	**25,966,000**
Total – Derivative contracts (assets), at fair value (cost $69,051,000)	**37.8%**	**$133,588,000**
Securities purchased under agreements to resell, at fair value (cost $12,450,000)		
United States		
Banking	**2.9%**	**$12,450,000**

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Domestic Fund, L.P.

Condensed schedule of investments (continued)

December 31, 20XX	Percentage of partners' capital	Fair value
Securities sold short, at fair value		
Common stocks		
United States		
Retail trade		
Public Retail Company A, 851,000 shares	8.8%	$38,051,000
Other	26.5	114,981,000
Transportation	30.4	131,813,000
Telecommunications	27.1	117,415,000
Total – United States (proceeds $450,581,000)	**92.8**	**402,260,000**
United Kingdom		
Manufacturing		
Public Manufacturing Company C, 651,000 shares	9.3	40,451,000
Banking	7.4	31,928,000
Retail trade	5.4	23,481,000
Consumer discretionary	2.5	10,821,000
Information technology	1.5	6,293,000
Total – United Kingdom (proceeds $100,481,000)	26.1	112,974,000
Total – Common stocks (proceeds $551,062,000)	**118.9**	**515,234,000**
Corporate bonds		
United Kingdom		
Banking	5.8	24,918,000
Manufacturing	2.4	10,279,000
Total – Corporate bonds (proceeds $32,571,000)	**8.1**	**35,197,000**
Total – Securities sold short, at fair value (proceeds $583,633,000)	**127.0%**	**$550,431,000**
Derivative contracts (liabilities), at fair value		
Credit default swaps – Protection written		
United States		
Banking		
Public Banking Company A, expire 3/15/20XX	5.3%	$22,851,000
Information technology	0.2	910,000
Total – United States (up-front premiums received $3,510,000)	**5.5**	**23,761,000**
Germany		
Sovereign (up-front premiums received $1,318,000)	**0.4**	**1,916,000**
Total – Credit default swaps – Protection written (up-front premiums received $4,828,000)	**5.9**	**25,677,000**

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Domestic Fund, L.P.

Condensed schedule of investments (continued)

December 31, 20XX	Percentage of partners' capital	Fair value
Derivative contracts (liabilities), at fair value		
ATQA 6910.18 **Total return swaps**		
United States		
Retail trade		
Public Retail Company A, expire from 1/31/20XX to 12/31/20XX	4.3%	$18,704,000
Other	4.4	19,227,000
Banking	7.3	31,720,000
Total – Total return swaps	**16.0**	**69,651,000**
Contracts for differences		
United Kingdom		
Banking	3.1	13,419,000
Manufacturing	2.1	8,965,000
Total – Contracts for differences	**5.2**	**22,384,000**
Forward currency contracts		
Purchase foreign currency/sell U.S. dollar		
British pound/U.S. dollar	2.2	9,581,000
Other	0.5	2,319,000
Purchase U.S. dollar/sell foreign currency		
U.S. dollar/euro	2.3	10,172,000
Total – Forward currency contracts	**5.1**	**22,072,000**
Option contracts written		
Call options written		
United States		
Retail trade	1.3	5,419,000
Consumer staples	1.0	4,541,000
Total – Call options written (proceeds $14,481,000)	**2.3**	**9,960,000**
Put options written		
United States		
Retail trade		
ATQA 6910.18 Public Retail Company A, expire 5/1/20XX	1.0	4,518,000
Other	0.0	172,000
Consumer discretionary	0.2	1,001,000
Total – Put options written (proceeds $4,571,000)	**1.2**	**5,691,000**
Total – Option contracts written (proceeds $19,052,000)	**3.5**	**15,651,000**
Total – Derivative contracts (liabilities), at fair value (proceeds $19,052,000 and up-front premiums received $4,828,000)	**35.6%**	**$155,435,000**

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Domestic Fund, L.P.

ASC 946-205-45-1 Statement of operations

Year ended Dcember 31, 20XX

	Investment income	
	Interest	$9,039,000
ASC 946-830-45-39	Dividends (net of foreign withholding taxes of $218,000)	7,039,000
	Income from securities loaned, net	12,000
	Income from staking rewards	25,000
	Other income	419,000
	Total investment income	**16,534,000**
ASC 946-220-45-3	**Expenses**	
ASC 946-20-45-4	Management fee	7,540,000
	Dividends on securities sold short	10,448,000
	Interest on securities sold short	1,161,000
	Interest expense[1]	59,000
	Administrative fee	248,000
	Professional fees and other	856,000
	Total expenses	**20,312,000**
ASC 946-20-45-5, ASC 946-20-50-7	Reimbursed/waived expenses	(500,000)
	Net expenses	19,812,000
ASC 946-220-45-5	**Net investment loss**	**(3,278,000)**
ASC 946-220-45-6	**Realized and unrealized gain (loss) from investments and foreign currency**	
ASC 946-220-50-2	Net realized gain from investments (including net realized gain of $16,000 from distribution of securities to limited partners)	37,269,000
ASC 946-830-45-1	Net realized gain from foreign currency transactions[2]	165,000
	Net unrealized gain from investments	61,239,000
ASC 946-830-45-1	Net unrealized loss from translation of assets and liabilities in foreign currencies[3]	(52,000)
	Net gain from investments and foreign currency	**98,621,000**
ASC 946-220-45-7	**Net income[4]**	**$95,343,000**

[1] Represents interest expense related to the Fund's financing arrangements.

[2] Represents net gains or losses from assets or liabilities denominated in foreign currencies. If separate reporting of foreign currency effects on realized gains or losses from investments is elected, those amounts may be included in this caption.

[3] Represents the net change during the period from translating assets and liabilities denominated in foreign currencies. If separate reporting of foreign currency effects on net unrealized gains and losses on investments is elected, those amounts may be included in this caption.

[4] Paragraph 946-220-45-7 defines the sum of net investment income or loss and net realized and unrealized gain or loss on investments and foreign currency as net increase or decrease in net assets resulting from operations. Funds may describe this line item as net increase or decrease in net assets resulting from operations or net income or loss.

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Domestic Fund, L.P.

ASC 946-205-45-1, 3 and 5

Statement of changes in partners' capital

Year ended December 31, 20XX

ASC 946-505-50-2
ASC 946-505-50-3

	General Partner	Class A limited partners	Class B limited partners	Total
Partners' capital, beginning of year	$35,529,000	$175,827,000	$117,218,000	$328,574,000
Capital contributions	—	27,000,000	18,000,000	45,000,000
Capital withdrawals	—	(21,559,000)	(14,373,000)	(35,932,000)
AAG-INV 4.08 **Early withdrawal fees**	24,000	142,000	94,000	260,000
Allocation of net income[1]				
Net investment loss	(361,000)	(1,737,000)	(1,180,000)	(3,278,000)
Net realized gain from investments	4,100,000	19,752,000	13,417,000	37,269,000
Net realized gain from foreign currency transactions	18,000	88,000	59,000	165,000
Net unrealized gain from investments	6,736,000	32,838,000	21,665,000	61,239,000
Net unrealized loss from translation of assets and liabilities in foreign currencies	(6,000)	(27,000)	(19,000)	(52,000)
Net income	10,487,000	50,914,000	33,942,000	95,343,000
ASC 946-20-45-4 Incentive allocation to General Partner	15,788,000	(10,043,000)	(5,745,000)	—
Net income after incentive allocation to General Partner	26,275,000	40,871,000	28,197,000	95,343,000
ASC 946-505-50-3 **Partners' capital,** end of year	**$61,828,000**	**$222,281,000**	**$149,136,000**	**$433,245,000**

[1] ASC 946-205-45-5 permits nonregistered investment partnerships to combine the statement of changes in net assets with the statement of changes in partners' capital if the information in ASC 946 205-45-3 is presented. AAG-INV Chapter 7 states that the alternative presentation as illustrated in the Master Fund and Domestic Feeder Fund financial statements may be used when the information in ASC 946-205-45-3 is presented in the financial statements and it is considered more meaningful to users of the financial statements.

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Domestic Fund, L.P.

ASC 946-205-45-1

Statement of cash flows

Year ended December 31, 20XX

[See Appendix A for the alternative "net method" of presenting operating cash flows.]

	Cash flows from operating activities	
ASC 230-10-45-28	Net income	$95,343,000
	Adjustments to reconcile net income to net cash used in operating activities:	
	Net realized gain from investments	(37,253,000)
	Net realized gain from foreign currency transactions	(165,000)
	Net realized gain from distribution of securities to limited partners	(16,000)
	Net unrealized gain from investments	(61,239,000)
	Net unrealized loss from translation of assets and liabilities in foreign currencies	52,000
ASC 230-10-45-7	Purchases of securities	(122,476,000)
ASC 230-10-45-20 and ATQA 6910.20	Purchases of digital assets	(13,000,000)
	Proceeds from sales of securities	165,778,000
	Proceeds from sales of digital assets	2,000,000
	Purchases of securities purchased under agreements to resell	(12,450,000)
	Payments for derivative contracts	(24,129,000)
	Proceeds from derivative contracts	104,468,000
	Proceeds from securities sold short	54,678,000
	Payments to cover securities sold short	(196,130,000)
	Amortization and accretion of premiums and discounts on debt securities	(145,000)
	Changes in operating assets and liabilities:	
	Dividends and interest receivable	(532,000)
	Other assets	(42,000)
	Payable upon return of securities loaned	30,000
	Due to related parties	(50,000)
	Management fee payable	120,000
	Dividends and interest payable	148,000
	Accrued expenses and other liabilities	39,000
	Net cash used in operating activities	**(44,971,000)**

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Domestic Fund, L.P.

Statement of cash flows (continued)

Year ended December 31, 20XX

ASC 230-10-45-14 and 15, ASC 230-10-45-26	**Cash flows from financing activities**	
ASC 230-10-50-5	Proceeds from capital contributions	$46,000,000
	Payments for capital withdrawals	(40,053,000)
	Proceeds from margin borrowings[1]	20,000,000
	Repayments of margin borrowings[1]	(45,424,000)
	Proceeds from securities sold under agreements to repurchase	10,000,000
	Net cash used in financing activities	**(9,477,000)**
ASC 830-230-45-1	**Effect of exchange rate changes on cash (including restricted cash)**	**(52,000)**
ASC 230-10-45-24	**Net decrease in cash and cash equivalents (including restricted cash)**	**(54,500,000)**
ASC 230-10-45-24	**Cash and cash equivalents (including restricted cash), beginning of year**	**80,819,000**
ASC 230-10-45-24	**Cash and cash equivalents (including restricted cash), end of year**	**$26,319,000**

At December 31, 20XX the amounts included in cash and cash equivalents (including restricted cash) include the following

	Statement of assets and liabilities	**December 31, 20XX**
ASC 230-10-50-8	Cash and cash equivalents	$8,952,000
	Cash denominated in foreign currencies	543,000
	Due from brokers	1,987,000
	Collateral posted with counterparties for derivative contracts	14,837,000
	Total cash and cash equivalents (including restricted cash)	**$26,319,000**
	Supplemental disclosure of cash flow information:	
ASC 230-10-50-2	Cash paid during the year for interest	**$54,000**
ASC 230-10-50-3	**Supplemental disclosure of noncash financing activities:**	
	Contribution of securities, at fair value (cost basis of $231,000)	$347,000
	Distribution of securities, at fair value (cost basis of $638,000)	$654,000

[1] If the requirements of ASC 230-10-45-7 through 45-9 are met, proceeds from margin borrowings and repayments of margin borrowings may be presented on a net basis

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Domestic Fund, L.P.

Notes to financial statements

December 31, 20XX

ASC 275-10-50-2

1. Organization

[This note should be tailored to the Fund's specific nature of operations:] Domestic Fund, L.P. (the Fund), a Delaware investment limited partnership, commenced operations on *[Month, Date, Year].* The Fund was organized to *[Include a description of the Fund's investment objectives].*

The Fund is managed by General Partner, LLC (the General Partner) and Investment Manager, LLC (the Investment Manager). *[If applicable:]* The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

ASC 235-10-50-1, ASC 235-10-50-3

2. Summary of significant accounting policies

The significant accounting policies followed by the Fund are:

Basis of presentation

ASC 946-10-50-1

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 946, Financial Services—Investment Companies. *[See Appendix D for sample presentation and disclosures when the Fund is presented on the liquidation basis of accounting.]*

Principles of consolidation

ASC 810-10-50-1

[If applicable for consolidated financial statements: If consolidated financial statements are presented, then financial statements should be referred to as consolidated financial statements throughout. In addition, a fund shall present the applicable disclosure requirements in ASC Section 810-10-50 if the fund has consolidated other entities in which the fund has a controlling financial interest and is not required to measure those entities at fair value in accordance with ASC Topic 946.]

The Fund consolidates variable interest entities (VIEs) for which it is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE's economic performance and holding variable interests that convey to the Fund the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Fund consolidates entities that are not VIEs when it has a controlling financial interest as a result of majority voting control. The Fund is precluded from consolidating entities that are not investment companies when it is required to measure those entities at fair value in accordance with Topic 946.

The accompanying consolidated financial statements include the accounts of the Fund and its wholly owned and controlled subsidiary, Subsidiary A, which is not a VIE. Subsidiary A is an investment company established for the general purpose of executing specific investment transactions on behalf of the Fund. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. *[If applicable:]* At December 31, 20XX, the Fund does not hold variable interests in any VIEs for which it is the primary beneficiary.

Use of estimates

ASC 275-10-50-4

Preparing financial statements in accordance with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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2. Summary of significant accounting policies (continued)

Investment transactions and related investment income

ASC 946-320-25-1 to 25-2

Securities transactions are accounted for on a trade-date basis. Securities transactions outside conventional channels are recorded as of the date the Fund obtains a right to demand the securities purchased or to collect the proceeds of sale, and incurs an obligation to pay the price of the securities purchased or to deliver the securities sold, respectively.

ASC 610-20-25-6 to 25-7

[As applicable include accounting policy of the fund that addresses recognition and derecognition of cryptocurrency transactions such as:] Cryptocurrency transactions are recorded when the Fund has obtained control over the cryptocurrency when purchased or has transferred control of the cryptocurrency when sold. In determining when control of the cryptocurrency has been obtained or transferred, the Fund evaluates when it or the counterparty has the ability to direct the use of, and obtain substantially all of the benefits of the cryptocurrency.

ASC 946-320-40-1

Realized gains and losses on investment transactions are determined using cost calculated on ***[a specific identification] [an average cost]*** basis.

ASC 946-320-35-5
S-X Rule 6-03(g)

[If applicable:] Distributions that represent returns of capital in excess of cumulative profits and losses are credited to investment cost rather than investment income. Dividends are recorded on the ex-dividend date and interest is recognized on an accrual basis.

ASC 946-830-45-34

[If applicable:] Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

ASC 946-320-35-20

[If applicable:] Discounts and premiums to the face amount of debt securities are accreted and amortized using the effective interest rate method over the lives of the respective debt securities. ***[If applicable:]*** Premiums to the face amount of callable debt securities that have noncontingent call features that are callable at fixed prices and on preset dates are amortized using the effective interest rate method to the next call date when a call option at a specified price becomes exercisable. If there is no remaining premium or if there are no further call dates, the Fund resets the effective yield using the payment terms of the debt security.

ASC 946-320-17 to 19, ASC 310-10-35-8 to 11, ASC 946-320-30-4

[If applicable:] Interest income is no longer accrued and interest receivable is written off when deemed uncollectible. ***[If applicable:]*** Discounts to the face amount of high-yield debt securities and other debt securities are not accreted to the extent that interest income is not expected to be realized.

Cash, cash equivalents and restricted cash

ASC 230-10-50-1
ASC 825-10-50-20 and 21

Cash, including cash denominated in foreign currencies, represents cash on hand and demand deposits held at financial institutions. Cash equivalents include short-term, highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations.

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2. Summary of significant accounting policies (continued)

ASC 230-10-50-7

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The Fund considers cash pledged as collateral for securities sold short and cash collateral posted with counterparties for derivative contracts to be restricted cash.

[Disclose the nature of restriction on cash, cash equivalents, and amounts described as restricted cash]

Current expected credit losses

[Include if the Fund has material expected credit losses for financial assets measured at amortized cost and evaluate whether additional disclosures are required under Topic 326]

ASC 326-20-30-1 to 10, ASC 326-20-35-1

The Fund accounts for estimated credit losses on financial assets measured at an amortized cost basis under the current expected credit loss model in accordance with ASC Subtopic 326-20. The Fund estimates expected credit losses over the life of its financial assets as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The Fund records the estimate of expected credit losses as an allowance for credit losses, which is a valuation account that adjusts the amortized cost basis of the financial asset. Changes in the allowance for credit losses are reported as an expense in the statement of operations.

Foreign currency translation

ASC 946-830-45-37

Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Transactions denominated in foreign currencies, including purchases and sales of investments and income and expenses, are translated into U.S. dollar amounts on the date of those transactions. Adjustments arising from foreign currency transactions and translation of assets and liabilities denominated in foreign currencies are reflected in the statement of operations.

[Include if the Fund does not separately report foreign currency exchange effects from realized and unrealized gains and losses from investments:]

ASC 946-220-50-2, ASC 946-830-50-1

The Fund does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Those fluctuations are included in net realized and unrealized gain or loss from investments in the statement of operations.

ASC 946-220-45-6, ASC 946-830-45-38

Reported net realized gain (loss) from foreign currency transactions arises from sales of foreign currencies; currency gains or losses realized between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized gain (loss) from translation of assets and liabilities in foreign currencies arises from changes in the fair values of assets and liabilities, other than securities, at the end of the period resulting from changes in exchange rates.

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2. Summary of significant accounting policies (continued)

[Include if the Fund separately reports foreign currency exchange effects from realized and unrealized gains and losses from investments:]

ASC 946-220-50-2, ASC 946-830-50-1

The Fund isolates that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held.

ASC 946-220-45-6, ASC 946-830-45-36

Reported net realized gain (loss) from foreign currency transactions arises from sales of portfolio securities; sales and maturities of short-term securities; sales of foreign currencies; currency gains or losses realized between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized gain (loss) from translation of assets and liabilities in foreign currencies arises from changes in the fair values of assets and liabilities, including securities, at the end of the period resulting from changes in exchange rates.

ASC 815-10-35-1

Derivative contracts

The Fund records derivative contracts at fair value. Changes in the fair value of derivative contracts are recorded as unrealized gains and losses. The Fund generally records a realized gain or loss on the expiration, termination, or settlement of a derivative contract.

[If applicable:] Periodic payments for swap contracts (excluding collateral payments) received or made at the end of each measurement period are included as realized gains or losses. Accruals related to periodic payments for swap contracts are included in unrealized gains or losses.

[If applicable:] The Fund accounts for the payment and receipt of variation margin for centrally cleared derivatives and futures contracts that are characterized as settled-to-market as settlements of those contracts and recognizes daily settlements of settled-to-market contracts as ***[realized] [unrealized]*** gains or losses.

[If applicable:] The Fund accounts for the payment and receipt of variation margin for centrally cleared derivatives and futures contracts that are characterized as collateralized-to-market as daily changes in collateral receivable from or payable to the clearing house. Gains or losses from collateralized-to-market contracts are not realized until the contracts expire or are settled.

Fair value – Hierarchy of fair value

The Fund determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund is able to access.

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2. Summary of significant accounting policies (continued)

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset, or (d) inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs that are unobservable and significant to the entire fair value measurement.

[If applicable:] Private investment companies measured using net asset value (NAV) as a practical expedient are not categorized within the fair value hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Therefore, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest-level input that is significant to the fair value measurement.

Fair value – Valuation techniques and inputs

ASC 820-10-50-2(bbb)

[The following includes examples of valuation techniques and inputs used by investment companies. Certain investment types are included solely for the purpose of providing illustrative examples of valuation techniques and inputs and are not included elsewhere in the illustrative financial statements. These examples do not include all possible investment types or valuation techniques and inputs that may apply to a particular type of investment. A fund's disclosures should be tailored to describe the valuation techniques and inputs used under the specific facts and circumstances of the fund, including the extent to which valuations are obtained from third-party pricing services or broker quotations.]

When determining fair value, the Fund uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Fund to determine fair value are considered to be market or income approaches.

The market approach includes valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

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2. Summary of significant accounting policies (continued)

The Fund generally uses the market approach to value ***[Include categories of investments valued using a market approach as applicable, such as the following:]*** exchange-traded securities, exchange-traded derivatives, government bonds, restricted securities of public companies, and physical commodities.

[Alternative language for the market approach specific to nonmarketable or privately held investments:] The market approach includes valuation techniques that use observable market data (e.g., current trading and/or acquisition multiples) of comparable companies and applying the data to key financial metrics of the investment. The comparability (as measured by size, growth profile, and geographic concentration, among other factors) of the identified set of comparable companies to the investment is considered in applying the market approach. The Fund generally uses the market approach to value ***[Include categories of investments valued using a market approach as applicable, such as the following:]*** equity securities of private operating companies.

The income approach includes valuation techniques that measure the present value of anticipated future economic benefits (i.e., net cash flows). The estimated net cash flows are forecast over the expected remaining economic life and discounted to present value using a discount rate commensurate with the level of risk associated with the expected cash flows. The Fund generally uses the income approach to value ***[Include categories of investments valued using an income approach as applicable, such as the following:]*** over-the-counter (OTC) derivatives, fixed-income securities, bank debt, commercial mortgage-backed securities, asset-backed securities, and collateralized loan obligations.

Equity securities

The Fund values equity securities that are traded on a national securities exchange at their last reported sales price. The Fund generally values equity securities traded in OTC markets and listed securities for which no sale was reported on that date at ***[the price within the bid-ask spread that best represents fair value] [their last reported bid price if held long, and last reported ask price if sold short].*** To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Equity securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Corporate bonds

The ***[Fund values] [Fund uses an independent pricing service to value]*** corporate bonds using recently executed transactions of the issuer or comparable issuers, market price quotations (when observable), broker or dealer quotations, matrix pricing, or a discounted cash flow model that factors in, where applicable, interest rate yield curves, bond spreads, or credit default swap spreads. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, corporate bonds are categorized in Level 3 of the fair value hierarchy.

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2. Summary of significant accounting policies (continued)

Government bonds

The Fund values government bonds using quoted prices when traded in active markets. When quoted prices are not available, the ***[Fund values] [Fund uses an independent pricing service to value]*** government bonds based on a discounted cash flow model that uses inputs that include interest rate yield curves; cross-currency basis index spreads; and sovereign credit spreads similar to the bond in terms of issuer, maturity, and seniority. Government bonds are generally categorized in Level 2 of the fair value hierarchy.

Municipal bonds

The ***[Fund values] [Fund uses an independent pricing service to value]*** municipal bonds using recently executed transactions, market price quotations (when observable), broker or dealer quotations, matrix pricing, or a discounted cash flow model that factors in, where applicable, interest rate yield curves, bond spreads, or credit default swap spreads. Municipal bonds are generally categorized in Level 2 of the fair value hierarchy.

Option contracts

The Fund values options that are listed on a national securities exchange at their last reported price. The Fund values options traded in the OTC markets using the midpoint between the last reported bid and ask prices. Options are generally categorized in Level 1 or 2 of the fair value hierarchy.

Futures contracts

The Fund values futures contracts that are traded on an exchange at their last reported sales price. Futures contracts are generally categorized in Level 1 of the fair value hierarchy.

Warrants

The Fund values warrants that are traded on an exchange at their last reported sales price. The Fund values OTC warrants using the Black-Scholes option pricing model, which takes into account the contract terms (including the strike price and contract maturity) and multiple inputs (including time value, volatility, equity prices, interest rates, and currency rates). Warrants that are traded on an exchange in an active market are generally classified in Level 1 of the fair value hierarchy. Warrants that are traded on the OTC market are generally classified in Level 2 or 3 of the fair value hierarchy.

Contracts for differences

The Fund values contracts for differences by taking the difference between the quoted price of the underlying security and the contract price. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of contracts for differences. Contracts for differences are generally categorized in Level 2 of the fair value hierarchy.

Forward contracts

The Fund values forward contracts based on the terms of the contract (including the notional amount and contract duration) and using observable inputs, such as currency exchange rates or commodity prices. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of forward contracts. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

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2. Summary of significant accounting policies (continued)

Interest rate swaps

The ***[Fund values] [Fund uses an independent pricing service to value]*** interest rate swaps using a discounted cash flow model based on the terms of the contract (including the notional amount and contract maturity) and multiple inputs, including, where applicable, yield curves, prepayment rates, and currency exchange rates. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of interest rate swaps. Interest rate swaps are generally categorized in Level 2 of the fair value hierarchy.

Total return swaps

The Fund values total return swaps based on the terms of the contract (including the notional amount and contract maturity) and current market data, such as interest rates and changes in fair value of the reference asset. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of total return swaps. Total return swaps are generally categorized in Level 2 or 3 of the fair value hierarchy.

Credit default swaps

The ***[Fund values] [Fund uses an independent pricing service to value]*** credit default swaps using a model that considers the terms of the contract (including the notional amount and contract maturity) and multiple inputs including yield curves, recovery rates, and credit spreads. The Fund may also use broker and dealer quotations to value its credit default swaps. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of credit default swaps. If the underlying debt is liquid and the market for the current spread is active, credit default swaps are categorized in Level 2 of the fair value hierarchy. If the underlying debt is illiquid and the market for the current spread is not active, credit default swaps are categorized in Level 3 of the fair value hierarchy.

Swaptions

The ***[Fund values] [Fund uses an independent pricing service to value]*** swaptions using a model that considers the terms of the contract (including the notional amount, strike price, and contract maturity) and multiple inputs, including interest rates, currency exchange rates, and volatility.

The Fund also considers counterparty credit risk in its valuation of swaptions. Swaptions are generally categorized in Level 2 or 3 of the fair value hierarchy.

Derivative contracts

[The following may be used as an alternative in lieu of listing valuation techniques for individual types of derivative contracts:]

The Fund values derivatives that are traded on an exchange at their last reported sales price. Derivative contracts that are traded on an exchange are generally classified in Level 1 of the fair value hierarchy.

The ***[Fund values] [Fund uses an independent pricing service to value]*** derivative contracts that are centrally cleared or traded on the OTC market using ***[Include as applicable:]*** market price quotations, counterparty quotations, broker or dealer quotations, or pricing models that take into account the terms of the contract (including the notional amount and contract maturity) and inputs such as ***[Include as applicable:]*** interest rates, yield curves, prepayment rates, credit spreads, recovery rates, currency exchange rates, volatility, correlation of inputs, and changes in the fair value of the reference asset. ***[If applicable:]*** The Fund also considers counterparty credit risk in its valuation of OTC derivatives. Derivative contracts that are centrally cleared or traded on the OTC market are generally classified in Level 2 or 3 of the fair value hierarchy.

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2. Summary of significant accounting policies (continued)

Fixed-income securities

[The following may be used as an alternative in lieu of listing valuation techniques for individual types of fixed-income securities:] The [Fund values] [Fund uses an independent pricing service to value] fixed-income securities (government bonds, municipal bonds, corporate bonds) using ***[Include as applicable:]*** recently executed transactions, market price quotations (when observable), broker or dealer quotations, matrix pricing, or a discounted cash flow model that factors in, where applicable, interest rate yield curves, bond spreads, or credit default swap spreads.

Fixed-income securities that are not traded in active markets are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, fixed-income securities are categorized in Level 3 of the fair value hierarchy.

Bank debt

The ***[Fund values] [Fund uses an independent pricing service to value]*** bank debt using recently executed transactions, broker or dealer quotations, and observable credit default swap levels.

When quotations are unobservable, proprietary valuation models and default recovery analysis methods are employed by the ***[Fund] [independent pricing service]***. Bank debt is generally categorized in Level 2 or 3 of the fair value hierarchy, depending on the use and availability of observable inputs.

Commercial mortgage-backed securities and asset-backed securities

The ***[Fund values] [Fund uses an independent pricing service to value]*** commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) based on prices of comparable securities or a discounted cash flow model that considers inputs including default rates, conditional prepayment rates, loss severities, recovery rates, expected yields to maturity, and other inputs specific to each security. Included in this category are certain interest-only securities, which in the absence of market prices are valued as a function of observable whole bond prices and cash flow values of principal-only bonds using current market assumptions at the measurement date.

The Fund may also use broker or dealer quotations to value its CMBS and ABS. CMBS and ABS are categorized in Level 2 of the fair value hierarchy when inputs are observable and in Level 3 when inputs are unobservable.

Collateralized loan obligations

The ***[Fund values] [Fund uses an independent pricing service to value]*** collateralized loan obligations (CLOs) based on prices of comparable securities or a discounted cash flow model that considers inputs including default rates, conditional prepayment rates, loss severities, recovery rates, expected yields to maturity, and other inputs specific to each security. The Fund may also use broker or dealer quotations to value its CLOs. CLOs are categorized in Level 2 of the fair value hierarchy when inputs are observable and in Level 3 when inputs are unobservable.

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2. Summary of significant accounting policies (continued)

ASC 946-325
ASC 946-325-32-1

Cryptocurrency

*[Refer to **KPMG's Accounting for crypto assets by investment companies publication** for an overview of accounting for crypto intangible assets by investment companies]* Digital assets are stated at fair value and generally valued using prices as reported on reputable and liquid exchanges and *[Include accounting policy of investment company to determine the cut-off to value its cryptocurrency assets, for example whether the Fund uses the market prices of its crypto assets at a time other than close of its reporting period such as:]* may involve utilizing an average of bid and ask quotes using prices provided by such exchanges at a specified time of determination on the last day of its reporting period.

When determining a principal market for cryptocurrencies, the Fund identifies publicly available, well established cryptocurrency exchanges that are accessible to the Fund, and considers factors including the recent price activity of an exchange, liquidity, and security and stability of an exchange, to determine which exchanges to utilize.

While some digital assets are traded in active markets and are valued based on quoted prices other digital assets may be more thinly-traded or subject to irregular trading activity. To the extent that digital assets are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Digital assets traded on inactive markets are generally categorized in Level 2 of the fair value hierarchy.

Private operating companies

Investments in private operating companies may consist of common stock, preferred stock, and debt of privately owned portfolio companies. The Fund reviews the valuation of each investment and records adjustments as necessary to reflect the expected exit value of the investment under current market conditions. Ongoing reviews by the Fund's management are based on an assessment of the type of investment, the stage in the lifecycle of the portfolio company, and trends in the performance and credit profile of each portfolio company as of the measurement date.

The *[Fund values] [Fund uses an independent pricing service to value]* private operating companies using an income approach or a market approach. In certain instances, the Fund may use multiple valuation approaches for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results. The decision to use a valuation approach will depend on the investment type and the information available.

When applying valuation techniques used to determine fair value, the Fund assumes a reasonable period of time for estimating cash flows and considers the financial condition and operating results of the portfolio company, the nature of the investment, restrictions on marketability, market conditions, foreign currency exposures, and other factors. When determining the fair value of investments, the Fund exercises significant judgment and uses the best information available as of the measurement date. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ materially from: (1) values that would have been used had a readily available market existed for those investments and (2) the values that may ultimately be realized.

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2. Summary of significant accounting policies (continued)

[Example of income approach input technique disclosures:] Inputs used under an income approach may include annual projected cash flows for each investment through their expected remaining economic life discounted to present value using appropriate risk-adjusted discount rates. These cash flow assumptions may be probability weighted to reflect the risks associated with achieving expected performance levels across various business scenarios. Inputs used under an income approach may include an assessment of the credit profile of the portfolio company as of the measurement date, the operating performance of the portfolio company, trends in the liquidity, and financial leverage ratios as of the measurement date and include an assessment of the portfolio company's business enterprise value, liquidation value, and debt repayment capacity of each subject debt investment. In addition, inputs may include an assessment of potential yield adjustments for each debt investment based on trends in the credit profile of the portfolio company and trends in the interest rate environment as of the measurement date.

[Example of market approach input technique disclosures:] Inputs used under a market approach may include valuation multiples applied to corresponding performance metrics such as earnings before interest, taxes, depreciation and amortization (EBITDA); revenue; or net earnings. The selected valuation multiples were estimated through a comparative analysis of the performance and characteristics of each investment within a range of comparable companies or transactions in the observable marketplace. In addition, recent merger and acquisition transactions of comparable companies may be used as a basis to develop implied valuation multiples. Investment valuations using the market approach may also consider factors such as liquidity, credit, and market risk factors of the portfolio company.

[Example of probability-weighted expected return method disclosures:] The probability-weighted expected return method is based on an estimate of expected fair value as analyzed through various liquidity scenarios. Fair value is determined for a given scenario at the time of the future liquidity event and discounted back to the valuation date using a risk-adjusted discount rate. To determine fair value, the present values under each scenario are weighted based on the expected probability of each scenario occurring.

[Example of option-pricing-model disclosures:] The option pricing model treats a portfolio company's common stock and preferred stock as call options on the enterprise or equity value of the portfolio company, with exercise or strike prices based on the characteristics of each series or class of equity in the portfolio company's capital structure (e.g., the liquidation preference of a given series of preferred stock). This method is sensitive to certain key assumptions, such as volatility and time to exit, that are not observable.

Private operating companies are generally categorized in Level 3 of the fair value hierarchy.

Restricted securities of public companies

Restricted securities of public companies cannot be offered for sale to the public until the issuer complies with certain statutory or contractual requirements. The Fund generally values restricted securities of public companies at a discount to similar publicly traded companies when the restriction is specific to the security. The Fund considers the type and duration of the restriction, but in no event does the valuation exceed the listed price on any major securities exchange.

Restricted securities of public companies are generally categorized in Level 2 of the fair value hierarchy. However, to the extent that significant inputs used to determine liquidity discounts are unobservable, restricted securities in public companies may be categorized in Level 3 of the fair value hierarchy.

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2. Summary of significant accounting policies (continued)

Physical commodities

Physical commodities are valued using the most recent prices from established commodity exchanges, less estimated transportation costs. Physical commodities are generally categorized in Level 2 of the fair value hierarchy.

ASC 946-235-50-5(b)

Private investment companies

The Fund values private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Fund applies the practical expedient to its private investment companies on an investment-by-investment basis and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the NAV of the investment. ***[See Appendix B for additional disclosures for investments in private investment companies that are not valued using NAV as a practical expedient.]***

Special purpose vehicles

Special purpose vehicles (SPVs) consist of ***[common stock, limited partnership interests, etc.]*** in unconsolidated entities that invest directly or indirectly in private equity or debt securities, real estate, or intangible property. The valuation of the Fund's SPVs may depend on whether the SPV is required to be accounted for as an investment company under GAAP.

If an SPV is accounted for as an investment company, the Fund generally values the investment, as a practical expedient, using the net asset values provided by the SPV when the NAV is calculated in a manner consistent with GAAP for investment companies. The Fund applies the practical expedient to eligible SPVs on an investment-by-investment basis and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the NAV of the investment.

If an SPV is not accounted for as an investment company, the SPV may be valued in its entirety using an income approach or a market approach. ***[See the Private Operating Companies section for examples of valuation techniques and inputs that may apply to SPVs.]*** In certain instances, an SPV may be valued based on the evaluation of the net assets of the SPV, whereby the assets and liabilities of the SPV are valued based on each underlying investment within the SPV, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information including comparable transactions, and performance multiples, among other factors.

SPVs are generally categorized in Level 3 of the fair value hierarchy. ***[Note: This paragraph does not apply to SPVs valued using NAV as a practical expedient.]***

Securities purchased under agreements to resell

The Fund records securities purchased under agreements to resell at their contracted resell amounts, which approximate fair value. Interest on these agreements is included in interest receivable in the statement of assets and liabilities. Securities purchased under agreements to resell are generally categorized in Level 2 of the fair value hierarchy.

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2. Summary of significant accounting policies (continued)

Contingent consideration

[If applicable:] The Fund recognizes contingent consideration from the sale of liquidated investments as a financial asset measured at fair value.

[Describe the valuation inputs and techniques used to measure contingent consideration when recognized as a financial asset.]

ASC 820-10-50-2D, ASC 820-10-35-18D

Fair value – Valuation of net risk exposures

The Fund elects to measure the fair value of its net exposure to ***[market risks] [and] [credit risks]*** on the basis of the price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure in an orderly transaction between market participants at the measurement date under current market conditions. The Fund applies this election when the duration and type of exposure to a particular ***[market risk] [and] [credit risk]*** for a group of financial assets and liabilities are substantially the same.

ASC 825-10-50-10 and 11

Fair value of financial instruments

[If the Fund is subject to the disclosure requirements under Section 825-10-50, include disclosures as required by paragraphs 825-10-50-10 through 19. The following example may be appropriate when the fair value of certain financial instruments approximates their carrying amounts:] The fair value of certain of the Fund's financial instruments, including ***[list specific receivables and payables and the corresponding amounts if not evident elsewhere in the financial statements]***, approximates the carrying amounts presented in the statement of assets and liabilities due to the short-term nature of these instruments.

Offsetting of assets and liabilities

[The following are examples of offsetting language that may apply to the Fund:]

ASC 210-20-50-2, ASC 815-10-50-7

Amounts due from and to brokers are presented on a net basis, by counterparty, to the extent the Fund has the legal right to offset the recognized amounts and intends to settle on a net basis.

[If applicable:]The Fund presents OTC derivatives that are executed with the same counterparty under the same master netting agreement on a net basis when the criteria for the right of setoff are met.

[Or]

The Fund presents OTC derivatives that are executed with the same counterparty under the same master netting agreement on a gross basis, even though the criteria for the right of setoff may be met.

ASC 815-10-50-7

[If applicable:] The Fund has elected not to offset fair value amounts recognized for cash collateral receivables and payables and fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. See note 8 for amounts recognized for cash collateral receivables and payables under master netting arrangements.

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2. Summary of significant accounting policies (continued)

[Or]

ASC 815-10-50-7

The Fund has elected to offset fair value amounts recognized for cash collateral receivables and payables and fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. See note 8 for amounts recognized for cash collateral receivables and payables that have been offset against net derivative positions and amounts under master netting arrangements that have not been offset against net derivative positions.

Securities sold under agreements to repurchase

ATQA 6910.22

The Fund records securities sold under agreements to repurchase at their contracted repurchase amounts payable. Interest on these agreements is included in interest payable in the statement of assets and liabilities.

Securities lending transactions

ASC 860-30-25-3, ASC 860-30-25-5

The Fund accounts for the receipt of cash collateral for securities lending transactions as a secured borrowing whereby it records an asset for cash collateral received and a corresponding liability for the obligation to return the collateral to the counterparty. The Fund also accounts for securities received as collateral for securities lending transactions as a secured borrowing if the Fund has the ability to sell or repledge the securities.

Staked tokens *[If applicable:]*

In support of the token network community and ecosystem, the Fund ensures that certain tokens held by the Fund are bonded by the custodian to the token network for the purposes of operating nodes on the network. These staked tokens are restricted due to XX-day ***[include the lock up period]*** lock-up schedule and cannot be immediately withdrawn. The amount of restricted digital assets held by the Fund as of December 31, 20XX is $XXX,XXX,XXX.

In exchange for participating in the consensus mechanism of these networks, the Fund earns a reward in the form of the native token of the network (staking rewards) which covers network inflation and transaction fees. Staking rewards are recognized using the token's fair value as of the date the token is earned.

[This illustrative disclosure assumes that staking is done through a custodian and the Fund is a delegator on the staking activity. If the Fund is a validator on the staking activity, the disclosure should be modified as appropriate to reflect the differences in accounting for a validator.]

AAG-INV 7.189

Income taxes

[The following example includes required disclosures when a Fund has incurred a liability for unrecognized tax benefits. A Fund may tailor its disclosures where appropriate if it has not incurred a liability for unrecognized tax benefits.]

The Fund does not record a provision for U.S. federal, U.S. state, or local income taxes because the partners report their share of the Fund's income or loss on their income tax returns. *[If applicable:]* However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax for limited partners that are foreign entities or foreign individuals.

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2. Summary of significant accounting policies (continued)

ASC 740-10-50-15(e)

[If applicable:] Further, certain non-U.S. dividend income and interest income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states *[If applicable:]* and foreign jurisdictions. Generally, the Fund is subject to income tax examinations by *[Federal] [list applicable states] [Foreign jurisdictions]* for years after 20XX.

The Fund is required to determine whether its tax positions are more likely than not to be sustained on examination by the applicable taxing authority, based on the technical merits of the position.

Tax positions not deemed to meet a more likely than not threshold would be recorded as a tax expense in the current year.

At December 31, 20XX, the Fund recorded a liability for unrecognized tax benefits of $XXX,000 related to its tax positions. *[Include a description of the uncertainty in tax positions; for example, investment gains from certain foreign jurisdictions where the Fund has elected not to file an income tax return.]*

[The following are examples that may apply to the Fund's assessment of possible changes in unrecognized tax benefits over the next 12 months:]

ASC 740-10-50-15(d)

1. The Fund has determined that it is reasonably possible that the total amount of the unrecognized tax benefits will *[increase] [decrease]* by approximately *[Include an amount or a range of the reasonably possible changes in unrecognized tax benefits]* within the next 12 months as a result of *[Describe the nature of events that can cause a significant change in unrecognized tax benefits, including, but not limited to, settlements, expiration of statutes of limitations, changes in tax law, and new authoritative rulings].*

2. The Fund has determined that it is reasonably possible that the total amount of the unrecognized tax benefits will *[increase] [decrease]* within the next 12 months as a result of *[Describe the nature of events that can cause a significant change in unrecognized tax benefits, including, but not limited to, settlements, expiration of statutes of limitations, changes in tax law, and new authoritative rulings].* Until formal resolutions are reached between the Fund and tax authorities, the amount of a possible ultimate settlement with respect to the effect on unrecognized tax benefits is not readily determinable.

3. The Fund does not expect that its assessment related to unrecognized tax benefits will materially change over the next 12 months. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, the nexus of income among various tax jurisdictions; compliance with U.S. federal, U.S. state, and foreign tax laws; and changes in the administrative practices and precedents of the relevant taxing authorities.

ASC 740-10-50-15(c), ASC 740-10-50-19

The Fund recognizes interest and penalties related to unrecognized tax benefits in interest expense and other expenses, respectively. During the year ended December 31, 20XX, the Fund recognized $XX,000 and $XXX,000, respectively, related to interest and penalties. At December 31, 20XX, the Fund accrued $XX,000 and $XX,000, respectively, for the payment of interest and penalties.

[The Bipartisan Budget Act of 2015 (the Budget Act) provides for assessment and collection of imputed underpayment of tax, interest and penalties at the partnership level. A fund that is subject to imputed underpayments at the partnership level under the Budget Act collection mechanism should consider appropriate disclosures of its partnership status under the tax law (e.g., the existence of the collection mechanism and the fund's ability to elect out or make a 'push-out election') and potential partner obligations resulting from imputed underpayments.

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2. Summary of significant accounting policies (continued)

If a fund is able to make a push-out election, it should consider disclosing the status of tax audits and its assessment of its partners' potential obligations.

If a fund is unable to make the push-out election or has forfeited its right to make the election, the recognition and disclosure guidance under ASC Topic 450, Contingencies, would apply.]

ASC 480-10-50-1

Capital withdrawals payable

Withdrawals are recognized as liabilities when the amount requested in the withdrawal notice becomes fixed, which generally occurs on the last day of a fiscal quarter. As a result, withdrawals paid after the end of the year, based on partners' capital balances at year-end, are included in capital withdrawals payable at December 31, 20XX. Withdrawal notices received for which the dollar amount is not fixed remain in partners' capital until the amount is determined.

Recent accounting standards

[The following are examples of recent accounting standards. These examples are not inclusive of all recent accounting standards that may apply to a fund. In addition, the content of the disclosures may vary between funds, depending on the effective date of adoption, the transition method applied for a change in accounting principle, and the effects of the change on the financial statements, including any changes to prior-period information as the result of retrospective application. In addition, ASC Topic 250, Accounting Changes and Error Corrections, includes accounting and disclosure guidance when a change in accounting principle is required by a newly issued Codification update.]

On January 1, 2023, the Fund adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which requires entities to recognize impairment of financial assets measured at amortized cost by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. ***[Management should evaluate whether the impact of CECL adoption had a material impact to the Fund's financial statements. If the impact is material, disclosure of the impact should be made. If the impact is not material, the following language may be used:]*** The adoption of ASU 2016-13 did not have a material effect on the Fund's financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The ASU clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring the fair value of the equity security, and also cannot be recognized as a separate unit of account. The ASU also requires the investor to disclose the fair value of equity securities subject to contractual sale restrictions, the nature and remaining duration of the restriction(s), and the circumstances that could cause a lapse in the restriction(s). The ASU is effective for the Fund for annual and interim periods beginning after December 15, 2024. Early adoption is permitted.

[If applicable:] The Fund is currently evaluating the impact the adoption of this new accounting standard will have on its financial statements and related disclosures.

946-820-10-65-13(d)

[If early adopted in the current period:] The Fund adopted the amendments in ASU 2022-03 as of ***[Month, Day]***, 20XX. As of December 31, 20XX, the Fund held equity securities subject to contractual sale restrictions resulting from ***[management should disclose the nature of the restriction]*** with a fair value of $XX,XXX. The contractual sale restriction is set to expire on June 30, 20XX. ***[Management should also disclose the circumstances, if any, that could cause a lapse in the restriction(s). Additionally, If a fund has multiple investments in equity securities subject to contractual sale restrictions, the entity shall consider the guidance in paragraph 820-10-50-1D when making its disclosures.]***

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2. Summary of significant accounting policies (continued)

ASC 820-10-50-6B

[For investment companies, adoption of ASU 2022-03 should only be applied prospectively. If a fund's previous accounting policy prior to this ASU's adoption was to apply a discount for contractual sale restrictions, that previous accounting policy should be applied until the restriction expires or is modified. In cases where a discount continues to be applied, those funds should also disclose the following:]

As of December 31, 20XX, the Fund held equity securities subject to contractual sale restrictions resulting from ***[Management should disclose the nature of the restriction]*** with a fair value of $XX,XXX for which the Fund continues to apply a discount. The contractual sale restriction is set to expire on June 30, 20XX. ***[Management should also disclose the circumstances, if any, that could cause a lapse in the restriction(s).]***

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ASC 820-10-50-2B, ASC 820-10-50-8

3. Fair value measurements

Fair value hierarchy

The Fund's assets and liabilities recorded at fair value have been categorized based on a fair value hierarchy as described in the Fund's significant accounting policies in note 2.

ASC 820-10-50-2(a) and (b)

The following table presents information about the Fund's assets measured at fair value as of December 31, 20XX:

(In thousands)	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Securities, at fair value					
Common stocks:					
United States:					
Banking	$104,493	$—	$—	$—	$104,493
Manufacturing	94,447	—	—	—	94,447
Consumer discretionary	87,491	2,191	—	—	89,682
Healthcare	81,038	—	—	—	81,038
Real estate	44,961	—	—	—	44,961
United Kingdom:					
Manufacturing	38,571	—	—	—	38,571
Telecommunications	33,642	462	—	—	34,104
Public Preferred stocks	96,000	600	—	—	96,600
Exchange-traded funds	19,567	—	—	—	19,567
Private preferred stocks	—	—	19,937	—	19,937
Corporate bonds	—	59,481	2,584	—	62,065
Government bonds	22,391	—	—	—	22,391
Municipal bonds	—	31,534	—	—	31,534
Asset-backed securities:					
Senior debt	—	1,273	19,159	—	20,432
Mezzanine debt	—	—	9,518	—	9,518
Total securities, at fair value	**$635,197**	**$95,541**	**$51,198**	**$—**	**$769,340**
Digital Assets, at fair value					
Cryptocurrencies	$42,596	—	—	—	$42,596
Total digital assets, at fair value	**$42,596**	**$—**	**$—**	**$—**	**$42,596**

ASC 820-10-50-6A(a)

Private investment companies, at fair value					
Value	$—	$—	$—	$ 72,424	$ 72,424
Growth	—	—	—	55,100	55,100
Merger arbitrage	—	—	—	24,799	24,799
Private equity	—	—	—	33,923	33,923
Cryptocurrencies	—	—	—	4,300	4,300
Total private investment companies, at fair value	**$—**	**$—**	**$—**	**$190,546**	**$190,546**

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3. Fair value measurements (continued)

ASC 820-10-50-3

(In thousands)	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Derivative contracts assets, at fair value					
Warrants purchased	$—	$44,911	$1,879	$—	$46,790
Total return swaps	—	60,550	—	—	60,550
Swaptions	—	282	—	—	282
Call options	23,807	—	—	—	23,807
Put options	2,159	—	—	—	2,159
Gross total	25,966	105,743	1,879	—	133,588
Less: Effect of netting provisions	—	—	—	—	—
Total derivative contract assets, at fair value	**$25,966**	**$105,743**	**$1,879**	—	**$133,588**
Securities purchased under agreements to resell, at fair value	**$—**	**$12,450**	**$—**	—	**$12,450**

The following table presents information about the Fund's liabilities measured at fair value as of December 31, 20XX:

(In thousands)	Level 1	Level 2	Level 3	Total
Securities sold short, at fair value				
Common stocks:				
United States	$402,260	$—	$—	$402,260
United Kingdom:				
Banking	27,275	4,653	—	31,928
Other	81,046	—	—	81,046
Corporate bonds	—	35,197	—	35,197
Total securities sold short, at fair value	**$510,581**	**$39,850**	**$—**	**$550,431**
Derivative contracts liabilities, at fair value				
Credit default swaps	$—	$23,839	$1,838	$25,677
Total return swaps	—	69,651	—	69,651
Contracts for differences	—	22,384	—	22,384
Forward contracts	—	22,072	—	22,072
Call options	9,960	—	—	9,960
Put options	5,691	—	—	5,691
Gross total	**15,651**	**137,946**	**1,838**	**155,435**
Less: Effect of netting provisions	—	—	—	—
Total derivative contracts liabilities, at fair value	**$15,651**	**$137,946**	**$1,838**	**$155,435**

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3. Fair value measurements (continued)

ASC 820-10-50-2G

The following table presents changes in assets classified in Level 3 of the fair value hierarchy during the year ended December 31, 20XX attributable to the following:

(In thousands)	Private preferred securities	Asset-backed securities
Purchases	$20,000	$2,451
Transfers into Level 3	—	—
Transfers out of Level 3	—	—

The following table presents changes in liabilities classified in Level 3 of the fair value hierarchy during the year ended December 31, 20XX attributable to the following:

(In thousands)	Credit default swaps
Purchases	$—
Issues	—
Transfers out of Level 3	562
Transfers out of Level 3	—

[Note: For derivative instruments without any up-front payments at the inception of the contract, funds should consider including other quantitative disclosures to indicate increases in Level 3 measurements in lieu of purchases and issues. For example, the disclosure may include the balances of derivative assets and liabilities as of the measurement date for derivatives classified in Level 3 that were entered into during the reporting period.]

ASC 820-10-50-2G

Transfers into and out of Level 3 generally relate to whether significant unobservable inputs are used for the fair value measurements. See note 2 for additional information related to the fair value hierarchy and valuation techniques and inputs.

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3. Fair value measurements (continued)

ASC 820-10-50-2(bbb)

Significant unobservable inputs

The following table summarizes the valuation techniques and significant unobservable inputs used for the Fund's investments that are categorized in Level 3 of the fair value hierarchy as of December 31, 20XX:

(In thousands)	Fair value at December 31, 20XX	Valuation	Unobservable inputs	Range of inputs (weighted average)*
Assets				
Securities, at fair value				
Private preferred stocks	$18,541	Market comparable companies	Adjusted valuation multiples (EBITDA)	X-X(X)
			Discounts for lack of marketability	X%-X%(X%)
			Control premiums	X%-X%(X%)
Corporate bonds	2,584	Consensus pricing	Discounts for lack of marketability	X%-X%(X%)
Asset-backed securities	28,677	Discounted cash flow model	Loss severities	X%-X%(X%)
			Probabilities of default	X%-X%(X%)
			Prepayment rates	X%-X%(X%)
Derivative contracts, at fair value				
Call warrants	1,879	Black-Scholes model	Historical volatility	X%–X% (X%)

ASC 820-10-50-2(bbb)

[*Note: To satisfy the requirement to provide quantitative information about significant unobservable inputs used for Level 3 fair value measurements, a fund may disclose the range of significant unobservable inputs by class or disclose the significant unobservable inputs for each individual Level 3 fair value measurement.]

[If a portion of Level 3 investments were not valued using internally developed unobservable inputs, include language to reconcile the difference such as the following if not included in the preceding table:] Certain of the Fund's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and indicative broker quotations. As a result, fair value assets of approximately $1,396,000 and fair value liabilities of approximately $1,838,000 have been excluded from the preceding table.

[Consider using this language when there is no disclosure of any unobservable inputs (and no table):] The Fund's Level 3 investments of approximately $XXX as of December 31, 20XX have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and quotations. As a result, the Fund has excluded disclosure of the significant unobservable inputs to these prices because they were not internally developed by the Fund.

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3. Fair value measurements (continued)

Changes in valuation techniques

[Example disclosure of a change in either or both a valuation approach and a valuation technique for measurements categorized in Level 2 and 3 of the fair value hierarchy:] During the year ended December 31, 20XX, the Fund changed the valuation technique used to value *[Describe the class to which the change in valuation approach or valuation technique applies] from [Describe the previous valuation approach and/or valuation technique]* to *[Describe the change in valuation approach and/or valuation technique, including the use of an additional valuation technique].*

The Fund believes the change in valuation technique and its application results in a measurement that is equally or more representative of the fair value in the circumstances because of *[Disclose the reasons for the change in valuation approach or valuation technique, which may result from events such as development of new markets, new information becoming available, information previously used is no longer available, improvement of valuation techniques, or changes in market conditions]. [If the change in valuation approach or technique affects only a portion of a class, consider presenting the amount, as of the reporting date, of the portion affected by the change.]*

4. Due from/to brokers and (if applicable) cryptocurrency exchanges

[Include if not presented separately on the statement of assets and liabilities:]

At December 31, 20XX, the amounts due from brokers and cryptocurrency exchanges include the following:

	(In thousands)	
	Description	
ASC 946-310-45-1	Cash held at the broker	$X,XXX
ASC 440-10-50-1	Cash pledged as collateral for securities sold short	X,XXX
	Totals	**X,XXX**

At December 31, 20XX, the amounts due to brokers include the following:

	(In thousands)	
ASC 440-10-50-1	**Description**	
ASC 946-310-45-1	Collateral received from counterparties for derivative contracts	$X,XXX
ASC 440-10-50-1	Margin borrowings	X,XXX
	Totals	**X,XXX**

Amounts due from brokers may be restricted if they serve as deposits for securities sold short. In addition, margin borrowings of $X,XXX,000 are collateralized by certain securities and cash balances held by the Fund. The Fund is subject to interest on margin accounts based on *[Describe the provisions by which margin interest is charged to the Fund].*

In the normal course of business, substantially all of the Fund's securities transactions, money balances, and security positions are transacted with the Fund's brokers: Broker 1, LLC and Broker 2, Ltd. *[For funds with separate clearing brokers, include the following sentence:]* Accounts with Broker 1, LLC are cleared by Broker 3, LLC.

ASC 825-10-50-20

The Fund is subject to credit risk to the extent a broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of those brokers and does not anticipate losses from these counterparties.

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4. Due from/to brokers and (if applicable) cryptocurrency exchanges (continued)

[If applicable, for triparty collateral agreements:] The Fund entered into collateral account control agreements with *[List name of counterparty]* (the Secured Party) and Prime Broker 4, LLC (the Securities Intermediary) to mitigate the risk associated with its derivative counterparties. On entering into derivative contracts, the Fund posts collateral to the Secured Party, which is held in custody by the Securities Intermediary. The Fund does not have the ability to transfer the collateral unless certain contingent events occur. As of December 31, 20XX, approximately $X,XXX,000 of collateral receivables posted to the Secured Party are held by the Securities Intermediary, which are included in due from brokers on the statement of assets and liabilities.

ASC 275-10-50-16 to 18

The Fund custodies digital asset with *[include custodian of the investment company:]* (the Custodian) for which qualified custodial service is available. *[If a Fund has self-custody of the private keys for digital asset wallets, the disclosure should be tailored to address ASC 275 risks and uncertainties disclosures particular to self-custody of digital assets.]* The Fund is subject to counterparty risk with cryptocurrency exchanges and custodians with whom it enters into cryptocurrency transactions. A significant concentration of the Fund's cryptocurrency assets may be held by a single custodian or in a single location, making them vulnerable to losses due to hacking, password loss, compromised access credentials, malware, or cyberattacks. While the Custodian maintains insurance policies related to loss and theft of digital assets, the Fund is subject to risk to the extent that losses exceed the coverage amounts. As of December 31, 20XX, all of the Fund's investments in digital assets are held by the Custodian.

ASC 825-10-50-20

[If applicable] Due from cryptocurrency exchanges includes funds held at digital asset exchanges which amounts to $X,XXX,XXX as of December 31, 20XX. Amounts held in custody of digital asset exchanges are not insured.

5. Derivative contracts

ASC-815-10-50-1A, ASC 815-10-50-5

In the normal course of business, the Fund uses derivative contracts in connection with its proprietary trading activities. Derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: *[Include as applicable]* interest rate, credit, foreign exchange, commodity price, and equity price. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

Option contracts

The Fund may purchase and write options to *[Include a description of the Fund's objectives for entering or holding the type of derivative contract].* An option contract provides its owner the right, but not the obligation, to buy or sell specified amounts of a financial instrument, commodity, or currency at a contracted price during a specified period or on a specified date.

[If applicable:] A swaption is an option contract that provides its owner the right, but not the obligation, to enter into a previously agreed-upon interest rate swap on a future date or to cancel an existing interest rate swap in the future.

For some OTC options, the Fund may be exposed to counterparty risk from the potential that a seller of an option does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts and the premiums paid to purchase its open options. In these instances, the Fund considers the credit risk of the intermediary counterparty to its option transactions in evaluating potential credit risk. Options written by the Fund may expose the Fund to market risk of an unfavorable change in the financial instrument, commodity, or currency underlying the written option.

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5. Derivative contracts (continued)

Futures contracts

The Fund may use futures to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].*** A futures contract represents a commitment for the future purchase or sale of an asset or index at a specified price on a specified date.

The purchase and sale of futures requires margin deposits with a futures commission merchant (FCM) equal to a certain percentage of the contract amount. Subsequent payments of variation margin are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract. Futures have minimal counterparty risk because futures contracts are exchange- traded and the exchange's clearing house, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Fund's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

Warrants

The Fund may purchase warrants ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].*** Warrants provide the Fund with exposure and potential gains upon equity appreciation of the underlying company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an in-the-money warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, the Fund could potentially lose its entire investment in a warrant.

The Fund is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts. The Fund considers the effects of counterparty risk when determining the fair value of its warrants.

Contracts for differences

The Fund enters into contracts for differences to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].*** Contracts for differences involve an agreement by the Fund and a counterparty to exchange the difference between the opening and closing price of the position underlying the contract, which is generally an equity security. Therefore, amounts required for the future satisfaction of the contracts for differences may be greater or less than the amount recorded.

Risks may arise as a result of the failure of the counterparty to a contract for differences to comply with the terms of the contract for differences.

Forward contracts

The Fund enters into forward contracts to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].***

Forward contracts are agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

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5. Derivative contracts (continued)

Swap contracts

The Fund enters into various swaps, including interest rate swaps, total return swaps, and credit default swaps ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract, such as the following:]*** as part of its investment strategies, to hedge against unfavorable changes in the value of investments, and to protect against adverse movements in interest rates or credit performance with counterparties. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based on or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference paid by one party to the other. Swap agreements may also be centrally cleared through a clearing house, where initial margins are posted and daily changes in the fair value result in variation margin receivable or payable with the clearing house.

The fair value of open swaps reported in the statement of assets and liabilities may differ from that which would be realized if the Fund terminated its position in the contract. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the aggregate fair value of swap contracts in an unrealized gain position and collateral posted with the counterparty. The risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the counterparty posting collateral to the Fund to cover the Fund's exposure to the counterparty. The Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

Interest rate swaps

The Fund is exposed to interest rate risk when there is an unfavorable change in the value of investments as a result of adverse movements in market interest rates. The Fund enters into interest rate swaps to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].***

Interest rate swaps are contracts in which counterparties exchange different rates of interest on a specified notional amount for a specified period of time. The payment flows are usually netted against each other, with the difference paid by one party to the other.

Total return swaps

The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. The Fund may enter into total return swaps to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].***

Total return swap contracts involve the exchange by the Fund and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index, specified interest rates for fixed-rate payments, and the notional amount of the swap contract.

Credit default swaps

The Fund is subject to credit risk in the normal course of pursuing its investment objectives.

The Fund may enter into credit default swaps to ***[Include a description of the Fund's objectives for entering or holding the type of derivative contract].***

Credit default swap contracts involve an arrangement between the Fund and a counterparty, which allows one party to protect against losses incurred as a result of default by a specified reference entity. Generally, the Fund pays a premium up front and continues to pay periodic interest payments, while the counterparty agrees to make a payment to compensate the Fund for losses if a specified credit event occurs (protection purchased).

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5. Derivative contracts (continued)

[If applicable:] Alternatively, when the Fund sells a credit default swap (protection written), it receives premium payments in exchange for assuming the credit risk of the specified reference entity. Generally, the counterparty pays a premium up front and continues to pay periodic interest payments while the Fund agrees to make a payment to compensate the counterparty for losses if a specified credit event occurs.

ASC 815-10-50-4K(a)(3)

Although contract-specific, credit events generally include bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default, or repudiation/moratorium. If a defined credit event occurs, the difference between the value of the reference obligation and the swap's notional amount is recorded as realized gain (for protection purchased) or loss (for protection written) in the statement of operations.

ASC 815-10-50-4K(b)

[If applicable:] In the event that certain specified credit events occur, the maximum potential future undiscounted payments that the Fund would be required to pay under protection written would be approximately $XX,XXX,000. However, if the Fund was required to make payments under protection written, it would be entitled to certain assets owned by the entities that collateralize the reference obligations.

[Additional disclosures when a Fund engages in writing credit protection through credit derivatives:]

At December 31, 20XX, the open credit derivatives written by the Fund referenced to corporate debt, sovereign debt, and asset-backed securities and are summarized as:

		Single-name credit default swaps		Credit default swaps options	Credit default swap indexes	
ASC 815-10-50-4K(c)	(In thousands)	Corporate debt	Sovereign debt	Corporate debt	Asset-backed securities	Total
ASC 815-10-50-4K(b)1	Fair value	$23,761	$1,916	$—	$—	$25,677
	Maximum potential amount of future undiscounted payments	120,000	20,000	—	—	140,000
ASC 815-10-50-4K(d)	Recourse provisions with third parties	2,598	121	—	—	2,719
ASC 815-10-50-4K(e)	Cash collateral held by the Fund or by third parties	19,361	1,450	—	—	20,811

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5. Derivative contracts (continued)

[The following are examples of presentation methods to disclose the performance risk of the credit derivatives written. The first table categorizes the credit derivatives written by the external credit ratings of the reference entities underlying the credit derivatives. The second table categorizes the credit derivatives written by the prevailing credit spreads of the aforementioned reference entities.]

[Presentation 1] The notional amounts of the credit derivatives written, classified by the expiration terms and the external credit ratings of the reference obligations underlying the credit derivatives written at December 31, 20XX, are summarized as:

ASC 815-10-50-4K(a)(4)

(In thousands)	Less than 1 year	1–3 years	3–5 years	Over 5 years	Total
Single-name corporate debt					
Investment grade[1]	$20,000	$—	$—	$—	$20,000
Noninvestment grade[2]	—	100,000	—	—	100,000
Single-name sovereign debt					
Investment grade[1]	—	—	20,000	—	20,000
Noninvestment grade[2]	—	—	—	—	—
	$20,000	**$100,000**	**$20,000**	**$—**	**$140,000**

[1] The Fund considers ratings of *[include the rating threshold that the Fund uses to determine investment grade securities]* or higher as meeting the definition of investment grade.

[2] Includes nonrated credit derivative contracts

[Presentation 2] The notional amounts of the credit derivatives written, classified by the expiration terms and the external credit spreads(1) of the reference obligations underlying the credit derivatives written at December 31, 20XX, are summarized as:

ASC 815-10-50-4K(a)(4)

(In thousands)	Less than 1 year	1–3 years	3–5 years	Over 5 years	Total
Single-name corporate debt					
0–250	$—	$—	$—	$—	$—
251–500	20,000	—	—	—	20,000
501–1,000	—	—	—	—	—
1,001–1,500	—	—	—	—	—
1,501–2,000	—	100,000	—	—	100,000
	$20,000	**$100,000**	**$20,000**	**$—**	**$120,000**
Single-name sovereign debt					
0–250	$—	$—	$20,000	$—	$20,000
251–500	—	—	—	—	—
501–1,000	—	—	—	—	—
1,001–1,500	—	—	—	—	—
1,501–2,000	—	—	—	—	—
	$—	**$—**	**$20,000**	**$—**	**$20,000**

[1] Credit spreads on the underlying contracts obtained from counterparties, together with the period of expiration, indicate payment or performance risk. The likelihood of payment or performance risk is generally greater as the credit spread on the underlying contracts and the period of expiration increases.

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ASC 815-10-50-4H

5. Derivative contracts (continued)

Credit-risk-related contingent features

[This note should be tailored to the Fund's specific credit-risk-related contingent features.] [Describe the circumstances in which credit-risk-related contingent features could be triggered, such as the following:] The Fund's derivative contracts are subject to International Swaps and Derivatives Association (ISDA) master agreements, which contain provisions for events of default that, if violated, allow the counterparty to the derivative contracts to request immediate payment or demand additional collateral if the Fund is in a net liability position with the counterparty. Additionally, the counterparty may elect to immediately terminate and settle all outstanding derivative transactions if the Fund fails to maintain sufficient asset coverage for its contracts or on a decline in the Fund's net assets below specified percentages or amounts. As of December 31, 20XX, no such termination events have occurred.

The aggregate fair value of all derivative contracts with credit-risk-related contingent features that are in a net liability position at December 31, 20XX is $X,XXX,000, for which the Fund has posted $X,XXX,000 as collateral in the normal course of business. ***[If applicable:]*** If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 20XX, the Fund would have been required to post additional collateral of $X,XXX,000 to its counterparties. ***[If applicable:]*** If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 20XX, the Fund would have been required to transfer assets with a fair value of $X,XXX,000 to its counterparties to settle the derivative contracts immediately.

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ASC 815-10-50-1A and 1B

5. Derivative contracts (continued)

Volume of derivative activities

[The following provides examples of the use of notional amounts to describe the volume of a fund's derivative activities. However, the appropriate disclosures of volume of derivative activities should consider the individual facts and circumstances of the fund and may differ from these examples:]

The Fund considers the average quarter-end notional amounts during the year, categorized by primary underlying risk, to be representative of the volume of its derivative activities during the year ended December 31, 20XX.

[The following alternative language may be used if representative of the volume of derivative activities:]

The Fund considers the notional amounts at December 31, 20XX, categorized by primary underlying risk, to be representative of the volume of its derivative activities during the year ended December 31, 20XX.

(In thousands)	Long exposure	Short exposure
Primary underlying risk	**Notional amounts[1]**	**Notional amounts[1]**
Interest rate risk		
Interest rate swaps	$95,000	$30,000
Swaptions	25,000	—
Foreign exchange risk		
Forward contracts	1,910,001	941,044
Equity price risk		
Total return swaps	535,937	535,776
Futures contracts	44,900	—
Options[2]	134,910	51,019
Warrants[2]	241,049	—
Contracts for differences	42,190	19,831
Commodity price risk		
Futures contracts	—	1,839
Credit risk		
Protection written:		
Credit default swaps	140,000	—

[1] *[If applicable:]* Notional amounts are presented net of identical offsetting derivative contracts.

[2] Notional amounts presented for options and warrants are based on the fair value of the underlying shares as if the options and warrants were exercised at the applicable period end.

[If applicable, for derivative types that were traded during the year and are included on the gain/loss table but are not held at year-end:] The Fund may use certain types of derivative contracts from time to time to create, or hedge, exposures relative to unique circumstances in the market. As such, the Fund has excluded these derivative types from the above table, as they are not representative of the Fund's regular trading activity throughout the year.

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5. Derivative contracts (continued)

[The following represents an alternative presentation of the volume of the Fund's derivative activities:]

(In thousands) Primary underlying risk	Notional amounts
Interest rate risk	$95,000
Interest rate swaps – Pay fixed, receive floating	30,000
Interest rate swaps – Pay floating, receive fixed	25,000
Swaptions – Long exposure	
Foreign exchange risk	
Forward contracts – Purchase foreign currency/sell U.S. dollars	1,910,001
Forward contracts – Purchase U.S. dollars/sell foreign currency	941,044
Equity price risk	
Total return swaps – Long exposure	535,937
Total return swaps – Short exposure	535,776
Futures contracts – Long exposure	44,900
Purchased call options[2]	134,910
Written call options[2]	51,019
Warrants – Long exposure[2]	241,049
Contracts for differences – Long exposure	42,190
Contracts for differences – Short exposure	19,831
Commodity price risk	
Futures contracts – Short exposure	1,839
Credit risk	
Credit default swaps – Protection written	140,000

[1] *[If applicable:]* Notional amounts are presented net of identical offsetting derivative contracts.

[2] Notional amounts presented for options and warrants are based on the fair value of the underlying shares as if the options and warrants were exercised at December 31, 20XX.

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ASC 815-10-50-4A, ASC 815-10-50-4B, ASC 815-10-50-4D, ASC 815-10-50-4E

5. Derivative contracts (continued)

Effect of derivatives on the statement of assets and liabilities and statement of operations

The following table identifies the fair value amounts of derivative contracts included in the statement of assets and liabilities, categorized by type of contract, at December 31, 20XX. Balances are presented on a gross basis, before application of the effect of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to consider the effects of master netting arrangements and the offsetting of cash collateral receivables and payables with the Fund's counterparties. See note 8 for additional information on the effects of master netting arrangements and the offsetting of cash collateral receivables and payables with the Fund's counterparties. The following table also identifies the realized and unrealized gain and loss amounts included in the statement of operations, categorized by type of contract, for the year ended December 31, 20XX.

(In thousands) Primary underlying risk	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain (loss)
Interest rate contracts				
Interest rate swaps	$—	$—	$26,959	$—
Swaptions	282	—	—	54
Foreign exchange contracts				
Forward contracts	—	22,072	(7,139)	(4,759)
Equity contracts				
Total return swaps	90,550	69,651	—	10,003
Futures contracts	—	—	(3,391)	—
Options	25,966	15,651	23,460	15,640
Warrants	46,790	—	—	3,810
Contracts for differences	—	22,384	(21,494)	(14,330)
Commodity contracts				
Futures contracts	—	—	(234)	—
Credit contracts				
Protection written:				
Credit default swaps	—	25,677	(14,346)	(9,564)
Gross total	**163,588**	**155,435**	**3,815**	**854**
Less: Effect of netting provisions	—	—	—	—
Less: Cash collateral applied	—	—	—	—
Total	**$163,588**	**$155,435**	**$3,815**	**$854**

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6. Securities sold short

ASC 275-10-50-1

The Fund is subject to certain inherent risks arising from selling securities short. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements. The Fund is not exposed to this risk to the extent it holds offsetting long positions with a fair value of approximately $X,XXX,000 at December 31, 20XX.

7. Collateralized financing arrangements

ASC 860-30-50-1A(a)

Securities purchased under agreements to resell

Securities purchased under agreements to resell involve the purchase of a security from a counterparty, with an obligation of the Fund to resell the security to the counterparty at a contracted price on maturity. In connection with its securities purchased under agreements to resell, it is the Fund's policy that its custodian, acting on behalf of the Fund, take possession of the underlying collateral securities, the fair value of which, at all times, to be at least ***[specify the percentage of required collateral value to the contracted resell amount]*** of the principal amount of the securities purchased under agreements to resell , including accrued interest. If the counterparty defaults under these agreements, and the fair value of the collateral declines, the realization of the collateral by the Fund may be delayed or limited.

ASC 860-30-50-1A(c)

At December 31, 20XX, the Fund received the following securities as collateral for its securities purchased under agreements to resell:

(In thousands) Type of collateral	Contracted resell price	Fair value
U.S. Treasury bonds	$10,450	$10,560
Commercial paper	2,000	2,040
Total	**$12,450**	**$12,600**

ASC 860-30-50-1A(c)

[If applicable:] The Fund is permitted to sell or repledge collateral received in connection with its securities purchased under agreements to resell. At December 31, 20XX, the fair value of such collateral was $X,XXX,000. ***[If applicable:]*** During the year ended December 31, 20XX, the Fund had ***[sold] [repledged]*** collateral with a fair value of $X,XXX,000.

Securities sold under agreements to repurchase

ASC 860-30-50-1A(a)

[Note: Paragraph 860-30-50-7 requires certain disclosures for short-term collateralized financing obtained through securities sold under agreements to repurchase, securities lending, and similar transactions that are accounted for as secured borrowings. The following includes examples of how those disclosures may be presented. However, the Fund's particular disclosures should be tailored to the specific facts and circumstances of the Fund.] Securities sold under agreements to repurchase involve the sale of a security to a counterparty, subject to an obligation by the Fund to repurchase the security from the counterparty at a contracted price on maturity.

ASC 860-30-50-7(c)

In connection with its securities sold under agreements to repurchase, the Fund is required to pledge collateral to its counterparties, the fair value of which, at all times, is required to be at least ***[specify the percentage of required collateral value to the contracted repurchase amount, including accrued interest]*** of the excess of the amounts borrowed plus accrued interest.

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7. Collateralized financing arrangements (continued)

ASC 860-30-50-1A(b)

If the fair value of the collateral declines, the Fund may be required to post additional collateral to the counterparty.

To mitigate this risk, the Fund pledges financial instruments as collateral that are (1) issued by entities that the Fund's management believes have sufficient creditworthiness to meet their obligations when they come due and (2) sufficiently liquid to be sold at their carrying amounts in the ordinary course of operations.

[If applicable:] At December 31, 20XX, the Fund pledged the following securities, which are included in securities in the statement of assets and liabilities as collateral for its securities sold under agreements to repurchase.

(In thousands) Type of collateral	Contracted resell price	Fair value
Corporate bonds	$7,500	$7,650
Municipal bonds	2,500	2,525
Total	**$10,000**	**$10,175**

At December 31, 20XX, the terms of the Fund's securities sold under agreements to repurchase included interest rates of X.X% to X.X% and maturity dates from *[Month, Year]* through *[Month, Year].*

Securities lending agreements

ASC 860-30-50-1A(a)

The Fund may lend securities to various financial institutions, principally to broker-dealers. Those transactions are secured by collateral such as cash, securities, or standby letters of credit, the fair value of which, at all times, is required to be at least *[specify the percentage of required collateral value to the amount of securities loaned, including accrued interest and dividends]* to the fair value of the securities loaned plus accrued interest and dividends.

If the collateral is cash, the Fund normally earns a return by investing that cash typically in short- term, high-quality debt instruments. Investments of cash collateral are subject to the Fund's investment restrictions. A rebate for a portion of the interest earned on the cash collateral is paid to the security lending agent for arranging the transaction. If the collateral is other than cash, the Fund typically receives a fee as compensation for the securities loaned. The Fund also continues to receive dividends and interest on the securities loaned.

ASC 860-30-50-7(c)

The Fund has the right under its securities lending agreement to recover the securities loaned from the counterparty on demand. If the counterparty fails to deliver the securities on a timely basis, the Fund could experience delays or loss on recovery. In addition, the Fund is subject to risk of loss from investments made with cash collateral received. In the event of default, the Fund has the right to use the collateral to offset the net amount owed by the counterparty.

ASC 860-30-50-1A(b)

[If applicable:] At December 31, 20XX, the Fund loaned common stocks with a fair value of $520,000 and received the following as collateral for the securities loaned. *[Note: For securities lending transactions accounted for as a secured borrowing, cash or securities received as collateral that the holder is permitted to sell or repledge are considered the amount borrowed, and the securities loaned are considered pledged as collateral against the cash borrowed.]*

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7. Collateralized financing arrangements (continued)

(In thousands) Type of collateral	Fair value of securities loaned	Fair value of collateral
Cash	$520	$530

ASC 860-30-50-7(a) and 7(b)

Disclosures for secured borrowing arrangements

The following table provides information related to the gross liabilities from arrangements accounted for as secured borrowings, presented by class of collateral pledged and remaining contractual maturities of the Fund's secured borrowings as of December 31, 20XX.

(In thousands)	Overnight and continuous	Up to 30 days	30–90 days	Greater than 90 days	Total
Securities sold under agreements to repurchase					
Municipal bonds	$1,250	$1,250	$—	$—	$2,500
Corporate bonds	—	—	7,500	—	7,500
Total securities sold under agreements to repurchase	**$1,250**	**$1,250**	**$7,500**	**$—**	**$10,000**
Securities lending transactions					
Common stock	$530	$—	$—	$—	$530
Total secured borrowings	**$1,780**	**$1,250**	**$7,500**	**$—**	**$10,530**
Gross recognized liabilities for securities sold under agreements to repurchase in Note 8					**$10,000**
Amounts related to agreements not included in the offsetting disclosure in Note 8					
Securities sold under agreements to repurchase					$—
Securities lending agreements					$530

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ASC 210-20-50-2

8. Offsetting assets and liabilities

The Fund is required to disclose the effect of offsetting assets and liabilities presented in the statement of assets and liabilities to enable financial statement users to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities include financial instruments and derivative contracts that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: Each of the two parties owes the other determinable amounts, the Fund has the right to set off the amounts owed with the amounts owed by the other party, the Fund intends to set off, and the Fund's right of setoff is enforceable at law.

ASC 210-20-50-5

[Include a description of the rights of setoff associated with the Fund's enforceable master netting arrangements or similar agreements, including the nature of those rights, as illustrated in the following example. This note should be tailored to the Fund's specific agreements:] The Fund is subject to enforceable master netting agreements with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at prearranged exposure levels. Because different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each transaction type may be covered by a different master netting arrangement, possibly resulting in the need for multiple agreements with a single counterparty. Master netting agreements may not be specific to each different asset type; in those instances, they would allow the Fund to close out and net its total exposure to a specified counterparty in the event of default or early termination with respect to any and all of the transactions governed under a single agreement with the counterparty. ***[For financial collateral received or pledged, include a description of the terms of the collateral agreement.]***

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8. Offsetting assets and liabilities (continued)

ASC 210-20-50-3 and 4
ASC 815-10-50-8

[The following table represents a basic example disclosure. Consider the need to provide additional detail when there is significant derivative activity (e.g., credit default swaps, total return swaps). In addition, consider the level of detail presented on the statement of assets and liabilities. See Appendix C for an alternative example disclosure.]

The following table presents the effects or potential effects of netting arrangements for derivative contracts and securities purchased under agreements to resell presented in the statement of assets and liabilities as of December 31, 20XX.

(In thousands)	Gross amounts of recognized assets	Gross amounts offset in the statement of assets and liabilities	Net amounts of assets presented in the statement of assets and liabilities	Amounts not offset in the statement of assets and liabilities			Net amount
				Financial instruments (policy election)[2]	Financial instruments (accounting criteria not met)[3]	Financial collateral received[4]	
Description							
Derivative contracts	$90,832	$—	$90,832	$(47,772)	$(33,826)	$—	$9,234
Securities purchased under agreements to resell	12,450	—	12,450	—	—	(12,450)	—
Total	**$103,282**	**$—**	**$103,282**	**$(47,772)**	**$(33,826)**	**$(12,450)**	**$9,234**

ASC 210-20-55-10

[1] The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of assets and liabilities as the result of option contracts and warrants in the amount of $72,756,000, which are not subject to enforceable master netting arrangements.

[2] Amounts related to master netting agreements (e.g., ISDA), determined by the Fund to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.

[3] Amounts related to master netting agreements determined by the Fund to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance.

[4] Amounts related to master netting agreements and collateral agreements determined by the Fund to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities, If this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

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8. Offsetting assets and liabilities (continued)

ASC 210-20-50-3 and 4

The following table presents the effects or potential effects of netting arrangements for derivative contracts and securities sold under agreements to repurchase presented in the statement of assets and liabilities as of December 31, 20XX:

(In thousands)	Gross amounts of recognized assets	Gross amounts offset in the statement of assets and liabilities	Net amounts of assets presented in the statement of assets and liabilities	Amounts not offset in the statement of assets and liabilities			Net amount
				Financial instruments (policy election)[2]	Financial instruments (accounting criteria not met)[3]	Financial collateral received[4]	
Description							
Derivative contracts	$139,784	$—	$139,784	$(47,772)	$(33,826)	$(10,000)	$48,186
Securities sold under agreements to repurchase	10,000	—	10,000	—	—	(10,000)	—
Total	**$149,784**	**$—**	**$149,784**	**$(47,772)**	**$(33,826)**	**$(20,000)**	**$48,186**

ASC 210-20-55-10

[1] The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of assets and liabilities as the result of option contracts in the amount of $15,651,000, which are not subject to enforceable master netting arrangements.

[2] Amounts related to master netting agreements (e.g., ISDA), determined by the Fund to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance, but were not offset due to management's accounting policy election.

[3] Amounts related to master netting agreements determined by the Fund to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance.

[4] Amounts related to master netting agreements and collateral agreements determined by the Fund to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities; if this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

9. Commitments and contingencies

[The following disclosures are examples of long-term commitments and contingencies that may occur for an investment company. The appropriate disclosures to be included should be tailored based on the facts and circumstances of the Fund:]

ASC 460-10-50-4

[If applicable:] The Fund is a guarantor of a loan payable entered into by a related party of approximately $XXX,000, which matures on *[Date, Year]*. If the related party defaults on its loan payments, the Fund may be required to perform under the guarantee to the extent of unpaid loan principal and interest amounts outstanding.

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9. Commitments and contingencies (continued)

[If applicable:] In the normal course of operations, the Fund enters into derivative transactions that are cross-collateralized between related funds under common management that enter into similar transactions with the same counterparty. In the event the related funds are unable to fulfill their obligations with the counterparty, the Fund may be required to perform to the extent the related funds have outstanding obligations. At December 31, 20XX, the outstanding obligations of the related funds amounted to approximately $X,XXX,000.

[If applicable:] As of December 31, 20XX, the Fund is subject to the following commitments:

ASC 946-20-50-15
ASC 440-10-50-1(f)

- Investment 1: Per the (Investment 1 name) Series B Preferred Stock Purchase Agreement, the Fund may be obligated to fund an additional $XX,XXX,000 contingent on the company achieving certain milestones.
- Investment 2: Per the (Investment 2 name) Series Seed Preferred Stock Purchase Agreement, the Fund may be obligated to fund an additional $XX,XXX,000, subject to certain closing conditions.

[If applicable:] The Fund entered into a line of credit agreement with a financial institution that provides for borrowings up to $X,XXX,000 and expires on *[Date, Year]*. The line of credit is collateralized by certain assets of the Fund. Any outstanding line of credit balance bears interest at the prime rate plus 1 percent. At December 31, 20XX, outstanding borrowings under the line of credit amounted to approximately $X,XXX,000.

ASC 450-20-50-4

[If applicable:] In the normal course of business, the Fund has been named as a defendant in various matters. Management of the Fund, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the financial condition, results of operations or cash flows of the Fund.

ASC 460-10-50-4

[If applicable:] The Fund has provided general indemnifications to the General Partner, any affiliate of the General Partner, and any person acting on behalf of the General Partner or that affiliate when they act, in good faith, in the best interest of the Fund. The Fund is unable to develop an estimate of the maximum potential amount of future payments that could potentially result from a hypothetical future claim but expects the risk of having to make payments under these general business indemnifications to be remote.

ASC 946-20-50-15

[If applicable:] The Fund provides financial support to its investees *[Note: Examples of financial support to investees may include loans, capital commitments, and guarantees; this can also include situations in which the Fund assisted an investee in obtaining financial support]* in the normal course of executing its investment strategies. The following tables summarize financial support provided to the Fund's investees during the year ended December 31, 20XX.

ASC 946-20-50-16

Financial support the Fund was contractually required to provide:

Type	Amounts provided in the current period			Reasons for providing support
	Amounts contractually required	Amounts not contractually required	Amounts contractually required but not yet provided	
[Describe the type of financial support]	$—	$—	$—	*[Describe the primary reasons for providing financial support]*

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ASC 505-10-50-3

10. Partners' capital

[The following disclosures are examples of the pertinent rights and privileges of the Fund's capital structure. These disclosures should be tailored to reflect the provisions in the Fund's legal documents:]

Contributions

ASC 946-20-25-8

The minimum initial investment in the Fund is currently $X,XXX,000, and the minimum additional subscription is $X,XXX,000. The General Partner, in its sole discretion, may accept investments of a lesser amount. The Fund may accept those amounts as of the first business day of any calendar month or other times as the General Partner may permit.

ASC 946-20-25-8

[If applicable:] Advance capital contributions represent amounts received from limited partners for contributions with an effective date after December 31, 20XX.

ASC 946-20-25-7

[If applicable:] The Fund may, at its sole discretion, accept securities, digital assets and other non-monetary assets as an "in-kind contribution" in lieu of, or in addition to, cash. Both the asset received and the contribution of equity are recorded at fair value *[Describe if in-kind contributions are recorded based on the fair value as of the date of the contribution or at a different amount as permitted by the Limited Partnership Agreement and agreed upon between the limited partner and the Fund, and if applicable, describe the accounting for any differences between the fair value of the in-kind distribution and the amount recorded as the capital contribution from the limited partner]. [If applicable:]* For the year ended December 31, 20XX, the Fund accepted in-kind contributions of $X,XXX,000 in the form of *[Describe type of in-kind consideration received, such as securities or digital assets].*

ASC 946-20-25-8

Withdrawals

Class A limited partners may generally withdraw all or part of their limited partner interest in the Fund at the end of each calendar quarter following at least a 45-day prior written notice to the Fund (or other times as the General Partner, in its sole discretion, may permit), following a 36-month lockup period on initial investments. *[If applicable:]* The Fund charges an early withdrawal fee of X.X% of the withdrawal amount to Class A limited partners withdrawing capital prior to the expiration of the lockup period.

ASC 946-20-25-8

Class B limited partners may generally withdraw all or part of their limited partner interest in the Fund at the end of each calendar quarter following at least a 45-day prior written notice to the Fund (or other times as the General Partner, in its sole discretion, may permit), following a 24-month lockup period on initial investments. *[If applicable:]* The Fund charges an early withdrawal fee of X.X% of the withdrawal amount to Class B limited partners withdrawing capital prior to the expiration of the lockup period.

[If applicable:] Early withdrawal fees are allocated on a pro rata basis to the remaining partners.

[If applicable:] The General Partner may limit aggregate withdrawals of interests invested in the Fund to a maximum of 25% of the Fund's net assets immediately before effecting those withdrawals. If withdrawal requests exceed the amount of withdrawals to be processed for any withdrawal date, each partner that submitted a timely request will receive a pro rata portion of the requested withdrawal. Unsatisfied withdrawals will remain invested in the Fund and will have equal priority at each subsequent withdrawal date with other partners wishing to withdraw their interests at that time.

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10. Partners' capital (continued)

ASC 505-10-50-3

[If applicable:] The General Partner may also suspend, in whole or in part, withdrawal rights, the payment of withdrawal proceeds, or determining the Fund's NAV in certain extraordinary circumstances including, without limitation, if a state of affairs as a result of which, in the General Partner's opinion, disposal of a portion or all of the Fund's net assets would not be reasonably practicable or where permitting withdrawals would, in the General Partner's opinion, be prejudicial to the nonwithdrawing partners.

Allocations of profits and losses

ASC 946-205-50-25

Profits and losses of the Fund are allocated to partners at the end of each month in proportion to their capital accounts as of the beginning of the month. To the extent the Fund receives gains or losses with respect to equity securities in initial public offerings, those gains or losses will be allocated solely to the capital accounts of those partners of the Fund that are not prohibited from participating in those allocations under Rule 5130 of the Financial Industry Regulatory Authority. *[If applicable:]* Profits or losses attributable to a side-pocket account are allocated only to those partners participating in the side-pocket account in proportion to the total partners' capital designated as side-pocket accounts at the time the side-pocket accounts were created.

[Other disclosures – include if applicable:]

Capital commitments

[If applicable:] At December 31, 20XX, the Fund has total capital commitments of $XX,XXX,000, of which $XX,XXX,000 is from the limited partners with respect to their partnership interests in the aggregate of $XX,XXX,000. The General Partner may make capital calls up to the amount of unfunded capital commitments to enable the Fund to make investments, pay fees and expenses, or provide reserves. No limited partner is required to fund an amount in excess of their unfunded capital commitments. At December 31, 20XX, the Fund's unfunded limited partner capital commitments amounted to $XX,XXX,000, of which $XX,XXX,000 is unfunded from the limited partners. The ratio of total contributed capital to total committed capital is XX.X%.

[If applicable:] Limited partners have committed capital to the Fund. If capital calls are not timely funded, the Fund may be unable to successfully carry out its investment operations.

Side-pocket capital accounts

ASC 850-10-50-1

[If applicable:] The General Partner, in its sole discretion, may designate certain investments that lack a readily available market value or are not freely transferable as special investments. At the discretion of the General Partner, a portion of a limited partner's share of a special investment may be transferred to a side-pocket capital account, which is not redeemable until those special investments are sold or deemed to be freely transferable. Only the partners who are invested in the Fund at the time special investments are designated will participate in the special investments. At December 31, 20XX, the Fund had special investments of approximately $XX,XXX,000.

[If applicable:] Transfers of capital presented in the statement of changes in partners' capital represent transfers of capital balances between the General Partner's capital account and limited partner accounts affiliated with the General Partner.

ASC 850-10-50-1 through 3

[If applicable:] The Fund had [number] limited partners who individually owned greater than XX% of the Fund's net asset value as of December 31, 20XX. Withdrawals of capital in full or in part for these limited partners interests in the Fund could impact the Fund's ability to carry out its investment objectives and operations, cause the Fund to liquidate assets under forced sale conditions to satisfy withdrawal requests, or cause the Fund to enter into a plan of liquidation in order to settle the distribution of net assets to limited partners in an orderly manner.

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11. Related-party transactions

ASC 946-20-50-5

The Fund considers the General Partner and the Investment Manager, their principal owners, members of management, and members of their immediate families, as well as entities under common control, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

ASC 946-20-50-5

The Fund pays the Investment Manager a management fee, calculated and payable *[monthly] [quarterly]* in advance, to be paid at an annual rate of X.XX% of the capital account balances of Class A limited partners and X.XX% of the capital account balances of Class B limited partners, determined as of the beginning of each *[month] [quarter]*.

The General Partner is entitled to receive an annual incentive allocation equal to XX% for Class A limited partners and XX% for Class B limited partners of the net profits, if any, allocated to each limited partner's capital account for the current period, subject to a loss carryforward provision.

[If applicable:] Due to related parties reported in the statement of assets and liabilities represents amounts payable to the General Partner for expenses paid on behalf of the Fund.

[If applicable:] Certain limited partners are related parties of the General Partner. *[Describe the nature of special management fee arrangements, incentive allocation arrangements, withdrawal rights or other terms associated with related-party capital accounts]* The aggregate value of limited partners' capital owned by related parties at December 31, 20XX is approximately $X,XXX,000. During the year ended December 31, 20XX, the Fund accepted capital contributions of $XXX,000 and had capital withdrawals of $XXX,000 (of which, $XXX,000 is included in capital withdrawals payable as of December 31, 20XX) with those related parties.

[If applicable:] Certain members of the General Partner serve as members of the boards of directors of certain investments aggregating approximately XX% of total capital in which the Fund holds investment positions.

[If applicable:] The General Partner generally allocates investments between the Fund and other entities for which it serves as the General Partner on a pro rata basis based on assets under management. To maintain pro rata allocations, the Fund may sell securities to, or purchase securities from, these other entities. These transactions are generally executed at the closing price on the date prior to the trade date, or for restricted yet tradable securities, at fair value as determined by the General Partner.

[If applicable:] During 20XX, the Fund entered into purchase and sale transactions with an affiliated entity also managed by the General Partner. Total purchases and sales at fair value of approximately $X,XXX,000 and $X,XXX,000, respectively, were made with this related party. Transactions with related parties resulted in net gains (losses) of $XX,000 and are included in net realized gain (loss) from investments and derivatives in the statement of operations. The value of these transactions was determined using the Fund's normal investment valuation policies.

[If applicable:] Additionally, the Fund may coinvest with other entities with the same General Partner as the Fund. *[If applicable:]* At December 31, 20XX, the Fund held an investment with a fair value of $X,XXX,000 that was coinvested with affiliated funds. *[If applicable:]* At December 31, 20XX, the Fund had no investments that were coinvested with affiliated funds

Reimbursed expenses

In the event that the Fund's ordinary operating expenses and organizational expenses exceed X.XX% per annum of the Fund's net assets with respect to the life-to-date ordinary operating expenses of the Fund, the General Partner intends to pay the excess expenses out of its assets on behalf of the Fund.

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12. Administrative services

Administrator Fund Services Ltd. (the Administrator) serves as the Fund's administrator and performs certain administrative and accounting services on behalf of the Fund. [If applicable:] The Administrator is also affiliated with a broker through which the Fund transacts operations. At December 31, 20XX, there is a balance of approximately $X,XXX,000 due from/to this broker.

[If applicable:] At December 31, 20XX, cash balances in the amount of approximately $X,XXX,000 are held by an affiliate of the Administrator.

13. Significant risks and uncertainties

[Consider whether significant risks and uncertainties resulting from certain significant estimates or vulnerability from certain concentrations exist as of the date of the financial statements that are subject to the disclosure requirements under ASC Topic 275 if not already disclosed elsewhere in the financial statements. The appropriate disclosure should be tailored based on the facts and circumstances of the Fund.]

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14. Financial highlights

Financial highlights for the year ended December 31, 20XX, are:

ASC 946-205-50-18
ASC 946-205-50- 22

	Class A limited partners	Class B limited partners
Total return:		
Total return before incentive allocation to General Partner	27.0%	27.4%
Incentive allocation to General Partner	(5.4)	(4.6)
Total return after incentive allocation to General Partner	**21.6%**	**22.8%**
Ratios to average limited partners' capital:		
Expenses (including interest and dividends)	5.7%	5.2%
Reimbursed/waived expenses	(0.1)	(0.1)
Incentive allocation to General Partner	5.2	4.3
Expenses and incentive allocation to General Partner	**10.8%**	**9.4%**
Net investment loss	**(1.4)%**	**(0.9)%**

ASC 946-205-50-10 and 12 through 14

ASC 946-20-45-5, ASC 946-20-50-7

ASC 946-205-50-4
ASC 946-205-50-15
ASC 946-205-50-13

Financial highlights are calculated for each limited partner class taken as a whole. An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different incentive allocation and/or management fee arrangements, and the timing of capital transactions. The net investment loss ratios do not reflect the effects of the incentive allocation to the General Partner.

ASC 946-205-50-16

[If applicable, for private investment companies:] The expense and net investment loss ratios do not reflect the income and expenses incurred by the underlying private investment companies.

ASC-946-205-50-10
ASC 946-205-50-13

[For periods less than one year:] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner, have been annualized. Total return has not been annualized.

15. Subsequent events

ASC 855-10-50-1 and 2

[If applicable:] From January 1, 20XX through *[Month, Date, Year],* the Fund accepted additional capital contributions of approximately $X,XXX,000 (of which approximately $X,XXX,000 is included in advance capital contributions as of December 31, 20XX) and had additional capital withdrawals of approximately $X,XXX,000.

[If applicable:] As of *[Month, Date, Year]*, the Fund received limited partner withdrawal requests that are anticipated to be effective on June 30, 20XX. The limited partner interests for these requests were approximately XX% of the partners' capital of the Fund as of December 31, 20XX.

The ultimate amounts withdrawn for these requests may vary based on the performance of the Fund and the amount of withdrawals declared effective by the Fund and its limited partners.

These financial statements were approved by management and available for issuance on *[Month, Date, Year*]. Subsequent events have been evaluated through this date.

[Consider if disclosure of subsequent events would be necessary to keep the financial statements from being misleading. Management should consider all events that have occurred subsequent to year end and if they are material or of importance to users of the financial statements.]

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Offshore Fund, Ltd.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Statement of assets and liabilities

December 31, 20XX

(U.S. dollars)

Assets	
Securities, at fair value (cost $662,033,000)	$769,340,000
Digital assets, at fair value (cost 11,000,000)	12,596,000
Private investment companies, at fair value (cost $184,491,000)[1]	190,546,000
Derivative contracts, at fair value (cost $69,051,000)	163,588,000
Securities purchased under agreements to resell, at fair value (cost $12,450,000)	12,450,000
Cash and cash equivalents	8,952,000
Cash denominated in foreign currencies (cost $592,000)	543,000
Due from brokers	26,692,000
Due from cryptocurrency exchanges	2,000,000
Receivable for pending investment transactions	260,000
Collateral posted with counterparties for derivative contracts	14,837,000
Dividends and interest receivable	1,167,000
Other assets	155,000
Total assets	**1,203,126,000**
Liabilities	
Securities sold short, at fair value (proceeds $583,633,000)	550,431,000
Derivative contracts, at fair value (proceeds $19,052,000 and up-front premiums received $4,828,000)	155,435,000
Due to brokers	45,115,000
Payable for pending investment transactions	559,000
Securities sold under agreements to repurchase	10,000,000
Payable upon return of securities loaned	530,000
Due to related parties	150,000
Redemptions payable	5,879,000
Advance subscriptions	1,000,000
Performance fee payable	18,239,000
Management fee payable	930,000
Dividends and interest payable	598,000
Accrued expenses and other liabilities	95,000
Total liabilities	**788,961,000**
Net Assets	**$414,165,000**

[1] See Appendix B for sample presentation of a condensed schedule of investments for private investment companies.

[See Domestic Fund, L.P. for an illustrative example of the condensed schedule of investments. References to partners' capital should be replaced with net assets where applicable.]

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Statement of operations

Year ended December 31, 20XX

(U.S. dollars)

Investment income	
Interest	$9,039,000
Dividends (net of foreign withholding taxes of $218,000)	7,039,000
Income from securities loaned, net	12,000
Income from staking rewards	25,000
Other income	419,000
Total investment income	**16,534,000**

Expenses	
Management fee	7,540,000
Dividends on securities sold short	15,789,000
Interest on securities sold short	1,161,000
Interest expense[1]	59,000
Performance fee	18,239,000
Administrative fee	248,000
Professional fees and other	856,000
Total expenses	**43,852,000**
Reimbursed/waived expenses	(500,000)
Net expenses	**43,392,000**
Net investment loss	**(26,858,000)**

Realized and unrealized gain (loss) from investments and foreign currency	
Net realized gain from investments (including realized gain of $16,000 from distribution of securities to shareholders)	36,573,000
Net realized gain from foreign currency transactions[2]	165,000
Net unrealized gain from investments	66,448,000
Net unrealized loss from translation of assets and liabilities in foreign currencies[3]	(65,000)
Net gain from investments and foreign currency	**103,121,000**

Net increase in net assets resulting from operations[4]	**$76,263,000**

[1] See corresponding footnotes on the Domestic Fund.

[2] See corresponding footnotes on the Domestic Fund.

[3] See corresponding footnotes on the Domestic Fund.

[4] See corresponding footnotes on the Domestic Fund.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Statement of changes in net assets

Year ended December 31, 20XX

(U.S. dollars)

Operations	
Net investment loss	$(26,858,000)
Net realized gain from investments	36,573,000
Net realized gain from foreign currency transactions	165,000
Net unrealized gain from investments	66,448,000
Net unrealized loss from translation of assets and liabilities in foreign currencies	(65,000)
Net increase in net assets resulting from operations	**76,263,000**
Capital share transactions	
Issuance of shares	45,000,000
Redemption of shares	(35,872,000)
Early redemption fees	200,000
Net increase in net assets resulting from capital share transactions	**9,328,000**
Net increase in net assets	**85,591,000**
Net assets, beginning of year	**328,574,000**
Net assets, end of year	**$414,165,000**

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Statement of cash flows

Year ended December 31, 20XX

[See Appendix A for the alternative net method of presenting operating cash flows.]

(U.S. dollars)

Cash flows from operating activities	
Net increase in net assets resulting from operations	$76,263,000
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net realized gain from investments	(36,557,000)
Net realized gain from foreign currency transactions	(165,000)
Net realized gain from distribution of securities to shareholders	(16,000)
Net unrealized gain from investments	(66,448,000)
Net unrealized loss from translation of assets and liabilities in foreign currencies	65,000
Purchases of securities	(111,785,000)
Purchases of digital assets	(13,000,000)
Proceeds from sales of securities	145,169,000
Proceeds from sales of digital assets	2,000,000
Purchases of securities purchased under agreements to resell	(12,450,000)
Payments for derivative contracts	(25,129,000)
Proceeds from derivative contracts	102,886,000
Proceeds from securities sold short	54,678,000
Payments to cover securities sold short	(159,685,000)
Amortization and accretion of premiums and discounts on debt securities	(145,000)
Changes in operating assets and liabilities:	
Dividends and interest receivable	(532,000)
Other assets	(42,000)
Payable upon return of securities loaned	230,000
Due to related parties	100,000
Performance fee payable	18,000,000
Management fee payable	359,000
Dividends and interest payable	148,000
Accrued expenses and other liabilities	39,000
Net cash used in operating activities	**(26,017,000)**

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Statement of cash flows (continued)

Year ended December 31, 20XX

(U.S. dollars)

Cash flows from financing activities	
Proceeds from issuance of shares, net of change in advance subscriptions	$46,000,000
Payments for redemption of shares, net of change in redemptions payable	(39,793,000)
Proceeds from margin borrowings[1]	21,483,000
Repayment of margin borrowings[1]	(10,000,000)
Proceeds from securities sold under agreements to repurchase	10,000,000
Net cash provided by financing activities	**27,690,000**
Effect of exchange rate changes on cash (including restricted cash)	**35,000**
Net increase in cash and cash equivalents (including restricted cash)	**3,708,000**
Cash and cash equivalents (including restricted cash), beginning of year	**49,316,000**
Cash and cash equivalents (including restricted cash), end of year	**$51,024,000**

At December 31, 20XX the amounts included in cash and cash equivalents (including restricted cash) include the following

ASC 230-10-50-8

Statement of assets and liabilities	**December 31, 20XX**
Cash and cash equivalents	$8,952,000
Cash denominated in foreign currencies	543,000
Due from brokers	26,692,000
Collateral posted with counterparties for derivative contracts	14,837,000
Total cash and cash equivalents (including restricted cash)	**$51,024,000**

Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	$54,000
Supplemental disclosure of noncash financing activities:	
Contribution of securities, at fair value (cost basis of $231,000)	$347,000
Distribution of securities, at fair value (cost basis of $638,000)	$645,000

(1) If the requirements of ASC 230-10-45-7 through 45-9 are met, proceeds from margin borrowings and repayments of margin borrowings may be presented on a net basis.

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See Domestic Fund, L.P. for general references

Offshore Fund, Ltd.

Notes to financial statements

December 31, 20XX

1. Organization

[This note should be tailored to the Fund's specific nature of operations:] Offshore Fund, Ltd. (the Fund) is an exempt investment company formed under the laws of the Cayman Islands on *[Month, Date, Year]*. The Fund was organized to *[Include a description of the Fund's investment objectives]*. Pursuant to an investment management agreement, the Fund is managed by Investment Manager, LLC (the Investment Manager). *[If applicable:]* The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

2. Summary of significant accounting policies

The significant accounting policies followed by the Fund are:

Basis of presentation

The financial statements are expressed in U.S. dollars and have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, Financial Services—Investment Companies.

[See Domestic Fund, L.P. for examples of the following significant accounting policies:]

Principles of consolidation
Use of estimates
Investment transactions and related investment income
Cash and cash equivalents
Foreign currency translation
Derivative contracts
Fair value – Hierarchy of fair value
Fair value – Valuation techniques and inputs
Fair value – Valuation of net risk exposures
Fair value of financial instruments
Offsetting of assets and liabilities
Securities sold under agreements to repurchase
Securities lending transactions
Staked tokens
Income taxes
Recently adopted accounting standards

Income taxes

[The following example includes required disclosures when a fund has incurred a liability for unrecognized tax benefits. A fund may tailor its disclosures where appropriate if it has not incurred a liability for unrecognized tax benefits.]

Under the laws of the Cayman Islands, the Fund is generally not subject to income taxes. However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax. *[If applicable:]* Further, certain non-U.S. dividend income and interest income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction.

Generally, the Fund is subject to income tax examinations by *[Federal] [list applicable states] [Foreign jurisdictions]* for the years after 20XX.

[See Domestic Fund, L.P. for additional income tax disclosures.]

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2. Summary of significant accounting policies (continued)

ASC 480-10-50-1

Redemptions payable

Redemptions are recognized as liabilities when the amount requested in the redemption notices becomes fixed, which generally occurs on the last day of a fiscal quarter. As a result, redemptions paid after the end of the year, based on the NAV of the Fund at year-end, are included in redemptions payable at December 31, 20XX. Redemption notices received for which the dollar amount is not fixed remain in net assets until the net asset values used to determine the redemption and share amounts are determined.

[See Domestic Fund, L.P. for the following disclosure examples. References to limited partners and partners' capital should be changed to shareholders and net assets where applicable:]

Fair value measurements
Due from/to brokers and *[if applicable]* cryptocurrency exchanges
Derivative contracts
Securities sold short
Collateralized financing arrangements
Offsetting assets and liabilities
Commitments and contingencies

3. Capital share transactions

[The following disclosures are examples of the pertinent rights and privileges of the Fund's capital structure. These disclosures should be tailored to reflect the provisions in the Fund's legal documents:]

As of December 31, 20XX, there are XXX,XXX redeemable shares of $0.01 par value authorized. There are two classes of shares: Class A and Class B. Shareholders who may be restricted from receiving certain types of income are issued Class B shares. All other shareholders are issued Class A shares. For purposes of accounting for the performance fee, shares issued at different times are issued in series, a different series being issued on each subscription date. Series 1 shares within each class are issued on the first subscription date in each calendar year and the remaining series are issued on other subscription dates during the calendar year. After the close of each calendar year, all series are converted into Series 1 of that class unless a loss carryforward attributable to the other series or to Series 1 of that class remains outstanding.

Subscriptions

The minimum initial subscription in the Fund is currently $X,XXX,000 and the minimum additional subscription is $XXX,000. The ***[Investment Manager]*** [Board of Directors], in its sole discretion, may accept subscriptions of a lesser amount. The Fund may accept those amounts as of the first business day of any calendar month or other times as the ***[Investment Manager] [Board of Directors]*** may permit.

[If applicable:] Advance subscriptions represent amounts received from shareholders for subscriptions with an effective date after December 31, 20XX.

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3. Capital share transactions (continued)

Redemptions

Class A shareholders may generally redeem all or part of their shares in the Fund at the end of each calendar quarter following at least a 45-day prior written notice to the Fund (or at other times as the ***[Investment Manager] [Board of Directors]***, in its sole discretion, may permit), following a 36-month lockup period on initial subscriptions.

[If applicable:] The Fund charges an early redemption fee of X.X% of the redemption amount to Class A shareholders redeeming shares prior to the expiration of the lockup period.

Class B shareholders may generally redeem all or part of their shares in the Fund at the end of each calendar quarter following at least a 45-day prior written notice to the Fund (or at other times as the ***[Investment Manager] [Board of Directors]***, in its sole discretion, may permit), following a 24-month lockup period on initial subscriptions. ***[If applicable:]*** The Fund charges an early redemption fee of X.X% of the redemption amount to Class B shareholders redeeming shares prior to the expiration of the lockup period.

[If applicable:] Early redemption fees are allocated on a pro rata basis to the remaining shareholders.

[If applicable:] The ***[Investment Manager] [Board of Directors]*** may limit aggregate redemptions of interests invested in the Fund to a maximum of 25% of the Fund's net assets immediately before effecting those redemptions. If redemption requests exceed the amount of redemptions to be processed for any redemption date, each shareholder that has submitted a timely request will receive a pro rata portion of the requested redemption. Unsatisfied redemptions will remain invested in the Fund and will have equal priority at each subsequent redemption date with other shareholders wishing to redeem their interests at that time.

[If applicable:] The ***[Investment Manager] [Board of Directors]*** may also suspend, in whole or in part, redemption rights, the payment of redemption proceeds, or determining the Fund's NAV in certain extraordinary circumstances, including, without limitation, if a state of affairs as a result of which, in the ***[Investment Manager's] [Board of Directors',]*** opinion, disposal of a portion or all of the Fund's net assets would not be reasonably practicable, or where permitting redemptions would, in the ***[Investment Manager's] [Board of Directors',]*** opinion, be prejudicial to the nonredeeming shareholders.

Allocations of profits and losses

Profits and losses of the Fund are allocated to each series of shares at the end of each month in proportion to its net assets relative to the Fund as a whole as of the beginning of the month. To the extent the Fund receives gains or losses with respect to equity securities in initial public offerings, those gains or losses will be allocated solely to the share classes of the Fund that are not prohibited from participating in those allocations under Rule 5130 of the Financial Industry Regulatory Authority. ***[If applicable:]*** Profits or losses attributable to a side-pocket share class are allocated only to those shareholders participating in the side-pocket share class in proportion to the total net assets designated as a side-pocket share classes at the time the side-pocket share classes were created.

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3. Capital share transactions (continued)

[Other disclosures – Include if applicable:]

Capital commitments

[If applicable:] At December 31, 20XX, the Fund has total capital commitments of $XX,XXX,000, of which $XX,XXX,000 is from the shareholders with respect to their net assets in the aggregate of $XX,XXX,000. The Investment Manager may make capital calls up to the amount of unfunded capital commitments to enable the Fund to make investments, pay fees and expenses, or provide reserves. No shareholder is required to fund an amount in excess of their unfunded capital commitments.

[If applicable:] Shareholders have committed capital to the Fund. If capital calls are not timely funded, the Fund may be unable to successfully carry out its operations.

At December 31, 20XX, the Fund's unfunded shareholder capital commitments amounted to $XX,XXX,000. The ratio of total contributed capital to total committed capital is XX.X%.

Side-pocket share classes

[If applicable:] The Investment Manager, in its sole discretion, may designate certain investments that lack a readily available market value or are not freely transferable as special investments.

At the discretion of the Investment Manager, a portion of a shareholder's net assets attributed to a special investment may be converted to shares in a side-pocket share class, which is not redeemable until those special investments are sold or deemed to be freely transferable. Only the shareholders who are invested in the Fund at the time special investments are designated will participate in the Special Investments. At December 31, 20XX, the Fund had special investments of approximately $XX,XXX,000.

[If applicable:] The Fund had [number] shareholders who individually owned greater than XX% of the Fund's net asset value as of December 31, 20XX. Redemptions of capital in full or in part for these shareholders' interest in the Fund could impact the Fund's ability to carry out its investment objectives and operations.

[Note: The following is generally applicable to all unitized funds:]

Transactions in capital shares during the period as well as the shares outstanding and the NAV per share as of December 31, 20XX, for each class and series of shares are:

ASC 946-505-50-2

(in thousands)	Beginning shares	Transfers/ conversion of shares	Shares issued	Shares redeemed	Ending shares
Class A					
Series 1	125,000.00	134,036.55	—	(28,663.70)	230,372.85
Series 2	75,000.00	(75,000.00)	10,000.00	—	10,000.00
Series 3	56,000.00	(56,000.00)	5,000.00	—	5,000.00
Class B					
Series 1	65,000.00	—	—	(4,593.65)	60,406.35
Series 2	—	—	25,000.00	—	25,000.00
Series 3	—	—	5,000.00	—	5,000.00

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3. Capital share transactions (continued)

ASC 946-505-50-2

(in thousands)	Beginning net assets	Transfers/ conversion of shares	Amounts issued	Amounts redeemed	Ending net assets
Class A					
Series 1	$127,804	$137,043	$—	$(30,318)	$287,390
Series 2	78,460	(78,460)	10,000	—	12,481
Series 3	58,583	(58,583)	5,000	—	5,939
Class B					
Series 1	63,727	—	—	(5,354)	72,491
Series 2	—	—	25,000	—	29,345
Series 3	—	—	5,000	—	6,519
	$328,574	**$—**	**$45,000**	**$(35,672)**	**$414,165**

ASC 946-505-50-1

	Ending NAV per share
Class A	
Series 1	$1,247.50
Series 2	1,248.10
Series 3	1,187.80
Class B	
Series 1	1,200.06
Series 2	1,173.80
Series 3	1,303.80

4. Related-party transactions

The Fund considers the Investment Manager, its principal owners, members of management, and members of their immediate families, as well as entities under common control, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

The Fund pays the Investment Manager a management fee, calculated and payable *[quarterly] [monthly]* in advance, to be paid at an annual rate of X.XX% of the NAV of Class A shares and X.XX% of the NAV of Class B shares, determined as of the beginning of each calendar *[quarter] [month]*.

The Investment Manager is also entitled to a performance fee, payable on an annual basis, which will generally be equal to XX% for Class A shareholders and XX% for Class B shareholders, of the amount by which the NAV per share on the last day of each year for each series exceeds the higher of the original issue price or highest NAV of those shares as of the close of any prior year.

[If applicable:] One of the directors of the Fund is a member of the Investment Manager.

[See Domestic Fund, L.P. for other examples of related-party transaction disclosures.]

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5. Administrative services

Administrator Fund Services Ltd. (Cayman Islands) (the Administrator) serves as the Fund's administrator and performs certain administrative and accounting services on behalf of the Fund. ***[If applicable:]*** The Administrator is also affiliated with a broker through which the Fund transacts operations. At December 31, 20XX, there is a balance of approximately $X,XXX,000 due from/to this broker. ***[If applicable:]*** At December 31, 20XX, cash balances in the amount of approximately $X,XXX,000 are held by an affiliate of the Administrator.

[See Domestic Fund, L.P. for examples of risk factor disclosures.]

6. Financial highlights

Financial highlights for the year ended December 31, 20XX, are:

ASC 946-205-50-8

	Class A shares Series 1	Class B shares Series 1
Per-share operating performance:		
ASC 946-205-50-7(a) **Net asset value, beginning of year**	**$1,022.43**	**$980.41**
Income from investment operations:		
ASC 946-205-50-7(b) Net investment loss	(56.86)	(51.45)
ASC 946-205-50-7(c) Net gain from investments and foreign currency	281.93	271.10
ASC 946-205-50-7(d) Total from investment operations	225.07	219.65
ASC 946-205-50-7(f) Early redemption fees	—	—
Redemptions	—	—
ASC 946-205-50-7(h) **Net asset value, end of year**	**$1,247.50**	**$1,200.06**
See Domestic Fund, L.P. for general references **Total return:**		
Total return before performance fee	27.5%	27.3%
Performance fee	(5.5)	(4.9)
Total return after performance fee	**22.0%**	**22.4%**
Ratios to average net assets:		
Expenses other than performance fee	7.0%	6.8%
Reimbursed/waived expenses	(0.1)	(0.1)
Performance fee	5.4	5.0
Total expenses	**12.3%**	**11.7%**
Net investment loss	**(7.4)%**	**(7.2)%**

Financial highlights are calculated for each permanent, nonmanaging class or series of common shares. An individual shareholder's financial highlights may vary based on participation in new issues, private investments, different performance fee and/or management fee arrangements, and the timing of capital share transactions. ***[If applicable, for private investment companies:]*** The expense and net investment loss ratios do not reflect the income and expenses incurred by the underlying private investment companies.

[For periods less than one year:] The ratios, excluding nonrecurring expenses and the performance fee, have been annualized. Total return has not been annualized.

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7. Subsequent events

[If applicable:] From January 1, 20XX through ***[Month, Date, Year]***, the Fund accepted additional subscriptions of approximately $X,XXX,000 (of which approximately $X,XXX,000 is included in advance subscriptions as of December 31, 20XX) and had additional redemptions of approximately $X,XXX,000.

[If applicable:] As of ***[Month, Date, Year]***, the Fund received shareholder redemption requests that are anticipated to be effective on June 30, 20XX. The shareholder interests for these requests were approximately XX% of the net assets of the Fund as of December 31, 20XX. The ultimate amounts redeemed for these requests may vary based on the performance of the Fund and the amount of redemptions declared effective by the Fund and its shareholders.

These financial statements were approved by management and available for issuance on ***[Month, Date, Year]***. Subsequent events have been evaluated through this date.

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Master Fund, L.P

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Statement of assets and liabilities

December 31, 20XX **(U.S. dollars)**

Assets	
Securities, at fair value (cost $662,033,000)	$769,340,000
Digital assets, at fair value (cost 11,000,000)	12,596,000
Private investment companies, at fair value (cost $184,491,000)[1]	190,546,000
Derivative contracts, at fair value (cost $69,051,000)	163,588,000
Securities purchased under agreements to resell, at fair value (cost $12,450,000)	12,450,000
Cash and cash equivalents	8,952,000
Cash denominated in foreign currencies (cost $592,000)	543,000
Due from brokers	1,987,000
Due from cryptocurrency exchanges	1,000,000
Receivable for pending investment transactions	260,000
Collateral posted with counterparties for derivative contracts	14,837,000
Dividends and interest receivable	1,167,000
Other assets	218,000
Total assets	**1,177,484,000**

Liabilities	
Securities sold short, at fair value (proceeds $583,633,000)	550,431,000
Derivative contracts, at fair value (proceeds $19,052,000 and up-front premiums received $4,828,000)	155,435,000
Due to brokers	18,632,000
Payable for pending investment transactions	559,000
Securities sold under agreements to repurchase	10,000,000
Payable upon return of securities loaned	530,000
Due to related parties	150,000
Capital withdrawals payable	5,879,000
Advance capital contributions	1,000,000
Management fee payable	930,000
Dividends and interest payable	598,000
Accrued expenses and other liabilities	95,000
Total liabilities	**744,239,000**

Partners' capital	**$433,245,000**

[1] See Appendix B for sample presentation of a condensed schedule of investments for private investment companies.

[See Domestic Fund, L.P. for an illustrative example of the condensed schedule of investments. and statement of cash flows.]

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Statement of operations

Year ended December 31, 20XX **(U.S. dollars)**

Investment income	
Interest	$9,039,000
Dividends (net of foreign withholding taxes of $218,000)	7,039,000
Income from securities loaned, net	12,000
Income from staking rewards	25,000
Other income	419,000
Total investment income	**16,534,000**
Expenses	
Management fee	7,540,000
Dividends on securities sold short	10,448,000
Interest on securities sold short	1,161,000
Interest expense[1]	59,000
Administrative fee	248,000
Professional fees and other	356,000
Total expenses	**19,812,000**
Net investment loss	**(3,278,000)**
Realized and unrealized gain (loss) from investments and foreign currency	
Net realized gain from investments (including realized gain of $16,000 from distribution of securities to shareholders)	37,269,000
Net realized gain from foreign currency transactions[2]	165,000
Net unrealized gain from investments	61,239,000
Net unrealized loss from translation of assets and liabilities in foreign currencies[3]	(52,000)
Net gain from investments and foreign currency	**98,621,000**
Net income[4]	**$95,343,000**

[1] See corresponding footnotes on the Domestic Fund.

[2] See corresponding footnotes on the Domestic Fund.

[3] See corresponding footnotes on the Domestic Fund.

[4] See corresponding footnotes on the Domestic Fund.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Statement of changes in partners' capital

Year ended December 31, 20XX **(U.S. dollars)**

	General Partner	Domestic feeder	Offshore feeder	Total
Partners' capital, beginning of year	**$5,879,000**	**$108,135,000**	**$219,614,000**	**$333,628,000**
Capital contributions	—	22,500,000	23,325,000	45,825,000
Capital withdrawals	(5,879,000)	(22,628,000)	(13,044,000)	(41,551,000)
Allocation of net income[1]				
Pro rata allocation	—	39,672,000	55,671,000	95,343,000
Incentive allocation to General Partner	16,612,000	(6,026,000)	(10,586,000)	—
	16,612,000	33,646,000	45,085,000	95,343,000
Partners' capital, end of year	**$16,612,000**	**$141,653,000**	**$274,980,000**	**$433,245,000**

[1] ASC 946-205-45-5 permits nonregistered investment partnerships to combine the statement of changes in net assets with the statement of changes in partners' capital if the information in ASC 946-205-45-3 is presented. AAG-INV Chapter 7 states that this alternative presentation may be used when the information in ASC 946-205-45-3 is presented in the financial statements and it is considered more meaningful to users of the financial statements.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Notes to financial statements

December 31, 20XX

1. Organization

[Note: For master funds organized as offshore corporations, see Offshore Fund, Ltd. for additional presentation and disclosure considerations when preparing the financial statements of the Master Fund.]

[This note should be tailored to the Fund's specific nature of operations:] Master Fund, L.P. (the Master Fund) is an investment partnership formed under the laws of the Cayman Islands and commenced operations on ***[Month, Date, Year]***. The Master Fund was organized to ***[Include a description of the Master Fund's investment objectives]***. The Master Fund has two limited partners: Domestic Feeder, L.P. (the Domestic Feeder Fund), a U.S. investment limited partnership, and Offshore Feeder, Ltd. (the Offshore Feeder Fund), a Cayman Islands exempt investment company (collectively, the Feeder Funds). The Feeder Funds invest substantially all of their assets in the Master Fund. The Master Fund is managed by General Partner, LLC (the General Partner) and Investment Manager, LLC (the Investment Manager). As of December 31, 20XX, the Domestic Feeder Fund and Offshore Feeder Fund own XX.XX% and XX.XX%, respectively, of the Master Fund. ***[If applicable:]*** The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

2. Summary of significant accounting policies

The significant accounting policies followed by the Master Fund are:

Basis of presentation

The financial statements are expressed in U.S. dollars and have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Master Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, *Financial Services—Investment Companies*.

[See Domestic Fund, L.P. for examples of the following significant accounting policies. References to Fund should be changed to Master Fund where applicable:]

Principles of consolidation
Use of estimates
Investment transactions and related investment income
Cash and cash equivalents
Foreign currency translation
Derivative contracts
Fair value – Hierarchy of fair value
Fair value – Valuation techniques and inputs
Fair value – Valuation of net risk exposures
Fair value of financial instruments
Offsetting of assets and liabilities
Securities sold under agreements to repurchase
Securities lending transactions
Staked tokens
Income taxes
Capital withdrawals payable
Recently adopted accounting pronouncements

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Notes to financial statements

December 31, 20XX

2. Summary of significant accounting policies (continued)

[See Domestic Fund, L.P. for the following disclosure examples. References to Fund should be changed to Master Fund where applicable:]

Fair value measurements
Due from/to brokers and *[if applicable]* cryptocurrency exchanges
Derivative contracts
Securities sold short
Collateralized financing arrangements
Offsetting assets and liabilities
Commitments and contingencies
Administrative services

3. Partners' capital

[See Domestic Fund, L.P. or Offshore Fund, Ltd. for example disclosures of the pertinent rights and privileges of the Master Fund's capital structure:]

Profits and losses of the Master Fund are allocated to the General Partner and Feeder Funds according to their respective interests in the Master Fund.

[If applicable:] Advance capital contributions represent amounts received from the Feeder Funds for contributions with an effective date after December 31, 20XX.

[Note: For master funds organized as offshore corporations, see Offshore Fund, Ltd. for example disclosures of required capital share transactions.]

4. Related-party transactions

The Master Fund considers the General Partner and Investment Manager, their principal owners, members of management, members of their immediate families, and entities under common control to be related parties to the Master Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

[If applicable:] The Master Fund pays the Investment Manager a management fee, calculated and payable *[quarterly] [monthly]* in advance, at annual rates ranging from X.XX% to X.XX% based on the net asset values at the respective Feeder Fund level, determined as of the beginning of each calendar *[month] [quarter]*. See the financial statements of the Feeder Funds for additional information.

[If applicable:] The General Partner is entitled to receive an annual incentive allocation ranging from XX% to XX% of the net profits, if any, at the respective Feeder Fund level, subject to a loss carryforward provision. See the financial statements of the Feeder Funds for additional information.

[See Domestic Fund, L.P. or Offshore Fund, Ltd. for other examples of related-party transaction disclosures.]

[See Domestic Fund, L.P. for examples of risk factor disclosures.]

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See Domestic Fund, L.P. for general references

Master Fund, L.P.

Notes to financial statements

December 31, 20XX

5. Financial highlights

[Note: For master funds organized as offshore corporations, see Offshore Fund, Ltd. for an example presentation of financial highlights of a unitized entity.]

[Note: The below presentation was prepared based on the assumption that the incentive allocation is charged at the master fund level:]

Financial highlights for the year ended December 31, 20XX, are:

	Domestic feeder	Offshore feeder
Total return:		
Total return before incentive allocation to General Partner	27.2%	26.8%
Incentive allocation to General Partner	(4.1)	(5.1)
Total return after incentive allocation to General Partner	**23.1%**	**21.7%**
Ratios to average limited partners' capital:		
Expenses (including interest and dividends)	5.1%	5.4%
Incentive allocation to General Partner	4.3	4.9
Expenses and incentive allocation to General Partner	**9.4%**	**10.3%**
Net investment loss	**(0.6)%**	**(0.9)%**

Financial highlights are calculated for the limited partner class taken as a whole. An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different incentive allocation and/or management fee arrangements, and the timing of capital transactions. The net investment loss ratios do not reflect the effects of the incentive allocation to the General Partner.

[If applicable, for private investment companies:] The expense and net investment loss ratios do not reflect the income and expenses incurred by the underlying private investment companies.

[For periods less than one year:] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner, have been annualized. Total return has not been annualized.

6. Subsequent events

[Note: For master funds organized as offshore corporations, references to "limited partners" and "partners' capital" should be changed to "shareholders" and "net assets," respectively, where applicable.]

[If applicable:] From January 1, 20XX through *[Month, Date, Year],* the Master Fund accepted additional capital contributions of approximately $XX,000,000 (of which approximately $X,XXX,000 is included in advance capital contributions as of December 31, 20XX) and had additional capital withdrawals of approximately $XX,XXX,000

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Domestic Feeder, L.P.

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Statement of assets and liabilities

December 31, 20XX

(U.S. dollars)

ASC 946-210-45-6

Assets	
Investment in Master Fund, L.P.	$141,653,000
Cash and cash equivalents	7,042,000
Withdrawals receivable from Master Fund, L.P.	2,628,000
Other assets	38,000
Total assets	**151,361,000**

Liabilities	
Advance capital contributions	1,150,000
Due to related parties	56,000
Capital withdrawals payable	2,628,000
Accrued expenses and other liabilities	45,000
Total liabilities	**3,879,000**

Partners' capital	$147,482,000

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Statement of operations

Year ended December 31, 20XX

(U.S. dollars)

	Investment income and expenses allocated from Master Fund, L.P.	
	Interest income	$3,238,000
	Dividend income (net of foreign withholding taxes of $68,000)	2,592,000
	Income from securities loaned, net	4,000
	Income from staking rewards	12,500
	Other income	147,500
	Management fee	(2,714,000)
	Dividends on securities sold short	(3,803,000)
	Interest on securities sold short	(402,000)
	Interest expense[1]	(21,000)
	Administrative fee	(96,000)
	Professional fees and other	(138,000)
ASC 946-205-50-17	Incentive allocation to the General Partner of Master Fund, L.P.	(6,026,000)
ASC 946-220-45-11	**Total net investment loss allocated from Master Fund, L.P.**	**(7,206,000)**
	Fund expenses	
	Administrative fee	125,000
	Professional fees and other	261,000
ASC 946-220-45-12	**Total expenses**	**386,000**
	Reimbursed/waived expenses	(10,000)
	Net fund expense	376,000
	Net investment loss	**(7,582,000)**
	Realized and unrealized gain (loss) from investments and foreign currency allocated from Master Fund, L.P.	
	Net realized gain from investments	13,566,000
	Net realized gain from foreign currency transactions[2]	58,000
	Net unrealized gain from investments	27,251,000
	Net unrealized loss from translation of assets and liabilities in foreign currencies[3]	(23,000)
	Net gain from investments and foreign currency allocated from Master Fund, L.P.	**40,852,000**
	Net income[4]	**$33,270,000**

[1] See corresponding footnotes on the Domestic Fund.

[2] See corresponding footnotes on the Domestic Fund.

[3] See corresponding footnotes on the Domestic Fund.

[4] See corresponding footnotes on the Domestic Fund.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Statement of changes in partners' capital

Year ended December 31, 20XX

(U.S. dollars)

	General partner	Class A limited partners	Class B limited partners	Total
Partners' capital, beginning of year	$—	$80,038,000	$34,302,000	$114,340,000
Capital contributions	—	15,000,000	7,500,000	22,500,000
Capital withdrawals	—	(16,971,000)	(5,657,000)	(22,628,000)
Allocation of net income[1]	—	21,958,000	11,312,000	33,270,000
Partners' capital, end of year	$—	$100,025,000	$47,457,000	$147,482,000

[1] ASC 946-205-45-5 permits nonregistered investment partnerships to combine the statement of changes in net assets with the statement of changes in partners' capital if the information in ASC 946-205-45-3 is presented. AAG-INV Chapter 7 states that this alternative presentation may be used when the information in ASC 946-205-45-3 is presented in the financial statements and it is considered more meaningful to users of the financial statements.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Statement of cash flows

Year ended December 31, 20XX **(U.S. dollars)**

Cash flows from financing activities	
Net income	$33,270,000
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income allocated from Master Fund, L.P.	(33,646,000)
Contributions to Master Fund, L.P.	(22,500,000)
Withdrawals from Master Fund, L.P.	22,628,000
Changes in operating assets and liabilities:	
Withdrawals receivable from Master Fund, L.P.	3,572,000
Other assets	16,000
Due to related parties	96,000
Accrued expenses and other liabilities	13,000
Net cash provided by operating activities	**3,449,000**
Cash flows from financing activities	
Proceeds from capital contributions, net of change in advance capital contributions	23,650,000
Payments for capital withdrawals, net of change in capital withdrawals payable	(24,990,000)
Net cash used in financing activities	**(1,340,000)**
Net increase in cash and cash equivalents	**2,109,000**
Cash and cash equivalents, beginning of year	**4,933,000**
Cash and cash equivalents, end of year	**$7,042,000**

See accompanying notes to financial statements.

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Notes to financial statements

December 31, 20XX

1. Organization

[This note should be tailored to the Fund's specific nature of operations:] Domestic Feeder, L.P. (the Fund), a Delaware investment limited partnership, commenced operations on *[Month, Date, Year].* The Fund was organized to *[Include a description of the Fund's investment objectives].* The Fund is managed by General Partner, LLC (the General Partner) and Investment Manager, LLC (the Investment Manager). *[If applicable:]* The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

ASC 946-235-50-3(a) through (c)

ASC 946-205-45-6

The Fund invests substantially all of its assets through a master–feeder structure in Master Fund, L.P. (the Master Fund), an investment company that has the same investment objectives as the Fund. The financial statements of the Master Fund, including the condensed schedule of investments, which are attached, are an integral part of these financial statements and should be read in conjunction with the Fund's financial statements. The Fund owns approximately XX.X% of the Master Fund as of December 31, 20XX.

2. Significant accounting policies

The significant accounting policies followed by the Fund are:

Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, *Financial Services—Investment Companies.*

ASC 946-235-50-3(d)

Valuation of investment in Master Fund, L.P.

The Fund records its investment in the Master Fund based on its proportionate share of the net assets of the Master Fund. Valuation of investments held by the Master Fund, including but not limited to, the valuation techniques used and categorization within the fair value hierarchy of investments are discussed in the notes to the Master Fund's financial statements.

Investment income and expenses

The Fund records its proportionate share of the Master Fund's income, expenses, and realized and unrealized gains and losses. *[If applicable:]* In addition, the Fund incurs and accrues its own expenses.

[See Domestic Fund, L.P. for examples of the following significant accounting policies:]

Principles of consolidation
Use of estimates
Cash and cash equivalents
Income taxes
Capital withdrawals payable
Recently adopted accounting pronouncements

[See Domestic Fund, L.P. for the following disclosure examples:]

Commitments and contingencies
Partners' capital
Administrative services
Subsequent events

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Notes to financial statements

December 31, 20XX

3. Related-party transactions

The Fund considers the Investment Manager, its principal owners, members of management, and members of their immediate families, as well as entities under common control, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

[Include the following if fees are charged at the master fund level. See Domestic Fund, L.P. for example language when fees are charged at the feeder fund level.]

The Master Fund pays the Investment Manager a management fee, calculated and payable ***[quarterly] [monthly]*** in advance, to be paid at an annual rate of X.XX% of the Fund's capital account balances of Class A limited partners and X.XX% of the Fund's capital account balances of Class B limited partners, determined as of the beginning of each calendar ***[quarter] [month].*** To the extent that management fees are charged at the Master Fund level, no management fees will be charged at the Fund level.

The General Partner of the Master Fund is entitled to receive an incentive allocation, payable on an annual basis, which will generally be equal to XX% for Class A limited partners and XX% for Class B limited partners of the Fund's net profits, if any, allocated to each limited partner's capital account for the current period, subject to a loss carryforward provision. To the extent the incentive allocation is charged at the Master Fund level, no incentive allocation will be charged at the Fund level.

[See Domestic Fund, L.P. for other examples of related-party transaction disclosures.]

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See Domestic Fund, L.P. for general references

Domestic Feeder, L.P.

Notes to financial statements

December 31, 20XX

4. Financial highlights

[Note: The below presentation was prepared based on the assumption that the incentive allocation is charged at the master fund level. See Domestic Fund, L.P. for presentation considerations when the incentive allocation is charged at the feeder fund level:]

Financial highlights for the year ended December 31, 20XX, are:

	Class A limited partners	Class B limited partners
Total return:		
Total return before incentive allocation to General Partner of the Master Fund	27.1%	26.9%
Incentive allocation to General Partner of the Master Fund	(4.5)	(4.0)
Total return after incentive allocation to General Partner of the Master Fund	**22.6%**	**22.9%**
Ratios to average limited partners' capital:		
Expenses other than incentive allocation to General Partner of the Master Fund	5.4%	5.0%
Reimbursed/waived expense	(0.1)	(0.1)
Incentive allocation to General Partner of the Master Fund	4.6	4.1
Total expenses	**9.9%**	**9.0%**
Net investment loss	**(5.2)%**	**(4.6)%**

ASC 946-205-50-17

ASC 946-205-50-17

Financial highlights are calculated for each limited partner class taken as a whole. An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different incentive allocation and/or management fee arrangements, and the timing of capital transactions. The expense and net investment loss ratios include the proportionate share of the income and expenses of the Master Fund.

[For periods less than one year:] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner, have been annualized. Total return has not been annualized.

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Offshore Feeder, Ltd.

Please refer to the conditions of use on the inside cover of this publication.

See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Statement of assets and liabilities

December 31, 20XX

(U.S. dollars)

ASC 946-210-45-6

Assets	
Investment in Master Fund, L.P.	$274,980,000
Cash and cash equivalents	10,427,000
Withdrawals receivable from Master Fund, L.P.	3,251,000
Other assets	42,000
Total assets	**288,700,000**

Liabilities	
Advance subscriptions	11,151,000
Redemptions payable	3,251,000
Due to related parties	81,000
Accrued expenses and other liabilities	74,000
Total liabilities	**14,557,000**

Net assets	$274,143,000

See accompanying notes to financial statements.

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Statement of operations

Year ended December 31, 20XX

(U.S. dollars)

Investment income and expenses allocated from Master Fund, L.P.	
Interest income	$5,801,000
Dividend income (net of foreign withholding taxes of $150,000)	4,447,000
Income from securities loaned, net	8,000
Income from staking rewards	12,500
Other income	271,500
Management fee	(4,826,000)
Dividends on securities sold short	(7,395,000)
Interest on securities sold short	(759,000)
Interest expense[1]	(38,000)
Administrative fee	(152,000)
Professional fees and other	(218,000)
ASC 946-205-50-17 Incentive allocation to the General Partner of Master Fund, L.P.	(10,586,000)
ASC 946-220-45-11 **Total net investment loss allocated from Master Fund, L.P.**	**(13,434,000)**
Fund expenses	
Administrative fee	123,000
Professional fees and other	168,000
ASC 946-220-45-12 **Total expenses**	**291,000**
Reimbursed/waived expenses	**(20,000)**
Net fund expense	**271,000**
Net investment loss	**(13,705,000)**
Realized and unrealized gain (loss) from investments and foreign currency allocated from Master Fund, L.P.	
Net realized gain from investments	23,703,000
Net realized gain from foreign currency transactions[2]	107,000
Net unrealized gain from investments	33,988,000
Net unrealized loss from translation of assets and liabilities in foreign currencies[3]	(29,000)
Net gain from investments and foreign currency allocated from Master Fund, L.P.	**57,769,000**
Net increase in net assets resulting from operations[4]	**$44,064,000**

[1] See corresponding footnotes on the Domestic Fund.

[2] See corresponding footnotes on the Domestic Fund.

[3] See corresponding footnotes on the Domestic Fund.

[4] See corresponding footnotes on the Domestic Fund.

See accompanying notes to financial statements.

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Statement of changes in net assets

Year ended December 31, 20XX **(U.S. dollars)**

Operations	
Net investment loss	$(13,705,000)
Net realized gain from investments	23,703,000
Net realized gain from foreign currency transactions	107,000
Net unrealized gain from investments	33,988,000
Net unrealized loss from translation of assets and liabilities in foreign currencies	(29,000)
Net increase in net assets resulting from operations	**44,064,000**
Capital share transactions	
Issuance of shares	31,244,000
Redemption of shares	(13,044,000)
Net increase in net assets resulting from capital share transactions	**18,200,000**
Net increase in net assets	**62,264,000**
Net assets, beginning of year	**211,879,000**
Net assets, end of year	**$274,143,000**

See accompanying notes to financial statements.

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Statement of cash flows

Year ended December 31, 20XX **(U.S. dollars)**

Cash flows from financing activities	
Net increase in net assets resulting from operations	$44,064,000
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net income allocated from Master Fund, L.P.	(45,085,000)
Contributions to Master Fund, L.P.	(23,325,000)
Withdrawals from Master Fund, L.P.	13,044,000
Changes in operating assets and liabilities:	
Withdrawals receivable from Master Fund, L.P.	549,000
Other assets	14,000
Due to related parties	7,000
Accrued expenses and other liabilities	18,000
Net cash provided by operating activities	**(10,714,000)**
Cash flows from financing activities	
Proceeds from capital contributions, net of change in advance capital contributions	29,237,000
Payments for capital withdrawals, net of change in capital withdrawals payable	(13,593,000)
Net cash used in financing activities	**15,644,000**
Net increase in cash and cash equivalents	**4,930,000**
Cash and cash equivalents, beginning of year	**5,497,000**
Cash and cash equivalents, end of year	**$10,427,000**

See accompanying notes to financial statements.

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Notes to financial statements

December 31, 20XX

1. Organization

[This note should be tailored to the Fund's specific nature of operations:] Offshore Feeder, Ltd. (the Fund) is an exempt investment company that formed under the laws of the Cayman Islands on *[Month, Date, Year].* The Fund was organized to *[Include a description of the Fund's investment objectives].* Pursuant to an investment management agreement, the Fund is managed by Investment Manager, LLC (the Investment Manager). *[If applicable:]* The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

ASC 946-235-50-3(a) through (c)

ASC 946-205-45-6

The Fund invests substantially all of its assets through a master–feeder structure in Master Fund, L.P. (Master Fund), an investment company that has the same investment objectives as the Fund. The financial statements of the Master Fund, including the condensed schedule of investments, which are attached, are an integral part of these financial statements and should be read in conjunction with the Fund's financial statements. The Fund owns approximately XX.X% of the Master Fund as of December 31, 20XX.

2. Significant accounting policies

The significant accounting policies followed by the Fund are:

Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, *Financial Services—Investment Companies.*

ASC 946-235-50-3(d)

Valuation of investment in Master Fund, L.P.

The Fund records its investment in the Master Fund based on its proportionate share of the net assets of the Master Fund. Valuation of investments held by the Master Fund, including, but not limited to, the valuation techniques used and categorization within the fair value hierarchy of investments, are discussed in the notes to the Master Fund's financial statements.

Investment income and expenses

The Fund records its proportionate share of the Master Fund's income, expenses, and realized and unrealized gains and losses. *[If applicable:]* In addition, the Fund incurs and accrues its own expenses.

[See Domestic Fund, L.P. or Offshore Fund, Ltd. for examples of the following significant accounting policies:]

Principles of consolidation
Use of estimates
Cash and cash equivalents
Income taxes
Redemptions payable

[See Domestic Fund, L.P. or Offshore Fund, Ltd. for the following disclosure examples:]

Commitments and contingencies
Capital share transactions
Administrative services
Subsequent events

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Notes to financial statements

December 31, 20XX

3. Related-party transactions

The Fund considers the Investment Manager, its principal owners, members of management, members of their immediate families, and entities under common control to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

[Include the following if fees are charged at the master fund level. See Domestic Fund, L.P. for example language when fees are charged at the feeder fund level.]

The Master Fund pays the Investment Manager a management fee calculated and payable ***[quarterly] [monthly]*** in advance, to be paid at an annual rate of X.XX% of the Fund's NAV of Class A shares and X.XX% of the Fund's NAV of Class B shares, determined as of the beginning of each calendar ***[quarter] [month]***. To the extent that management fees are charged at the Master Fund level, no management fees will be charged at the Fund level.

The General Partner of the Master Fund is entitled to receive an incentive allocation, payable on an annual basis, which will generally be equal to XX% for Class A shareholders and XX% for Class B shareholders of the amount by which the Fund's NAV per share on the last day of each year for each series exceeds the higher of the original issue price or highest NAV of those shares as of the close of any prior year. To the extent the incentive allocation is charged at the Master Fund level, no performance fee will be charged at the Fund level.

[See Domestic Fund, L.P. and Offshore Fund, Ltd. for other examples of related-party transaction disclosures.]

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See Domestic Fund, L.P. and Offshore Fund, Ltd. for general references

Offshore Feeder, Ltd.

Notes to financial statements

December 31, 20XX

4. Financial highlights

[Note: The below presentation was prepared based on the assumption that the incentive allocation is charged at the Master Fund level. See Offshore Fund, Ltd. for presentation considerations when a performance fee is charged at the Feeder Fund level:]

Financial highlights for the year ended December 31, 20XX, are:

	Class A shares series 1	Class B shares series 1
Per-share operating performance:		
Net asset value, beginning of year	$1,040.45	$1,049.61
Income from investment operations:		
Net investment loss	(64.42)	(74.15)
Net gain from investments and foreign currency	284.88	310.31
Total from investment operations	220.46	236.16
Net asset value, end of year	**$1,260.91**	**$1,285.77**
Total return:		
Total return before incentive allocation to General Partner of the Master Fund	26.5%	27.3%
Incentive allocation to General Partner of the Master Fund	**(5.3)**	**(4.8)**
Total return after incentive allocation to General Partner of the Master Fund	**21.2%**	**22.5%**
Ratios to average net assets:		
Expenses other than incentive allocation to General Partner of the Master Fund	5.8%	5.3%
Reimbursed/waived expenses	(0.1)	(0.1)
Incentive allocation to General Partner of the Master Fund	5.1%	4.7
Total expenses	**10.8%**	**9.9%**
Net investment loss	**(6.4)%**	**(5.6)%**

ASC 946-205-50-17

Financial highlights are calculated for each permanent, nonmanaging class or series of common shares. An individual shareholder's financial highlights may vary based on participation in new issues, private investments, different performance and/or management fee arrangements, and the timing of capital share transactions. The expense and net investment loss ratios include the proportionate share of the income and expenses of the Master Fund.

[For periods less than one year:] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner of the Master Fund, have been annualized. Total return has not been annualized.

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Appendices

Appendix A

See Domestic Fund, L.P. for general references

Statement of cash flows – Net presentation

Year ended December 31, 20XX

[The following net presentation of purchases and sales of the cash flows from operating activities is permitted if the Fund's trading style and investment objectives are principally to sell in the near term. See AICPA Technical Questions and Answers Section 6910.26 and AAG-INV paragraph 7.167 for additional guidance.]

ASC 230-10-45-7 to 9, ATQA 6910.20

Cash flows from operating activities	
Net income	$95,343,000
Adjustments to reconcile net income to net cash used in operating activities:	
Net realized gain from investments	(37,253,000)
Net realized gain from foreign currency transactions	(165,000)
Net realized gain from distribution of securities to limited partners	(16,000)
Net unrealized gain from investments	(61,239,000)
Net unrealized loss from translation of assets and liabilities in foreign currencies	52,000
Net sales of securities	43,302,000
Net payments of digital assets	(11,000,000)
Net payments for securities purchased under agreements to resell	(12,450,000)
Net proceeds from derivative contracts	80,339,000
Net payments for securities sold short	(141,452,000)
Amortization and accretion of premiums and discounts on debt securities	(145,000)
Changes in operating assets and liabilities:	
Dividends and interest receivable	(532,000)
Other assets	(42,000)
Payable on return of securities loaned	30,000
Due to related parties	(50,000)
Management fee payable	120,000
Dividends and interest payable	148,000
Accrued expenses and other liabilities	39,000
Net cash used in operating activities	**(44,971,000)**

See accompanying notes to the financial statements.

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Appendix B

See Domestic Fund, L.P. for general references

Investments in private investment companies

Schedule of investments

December 31, 20XX

ASC 820-10-50-6A(c)

	Percentage of *[partners' capital] [net assets]*	Fair value	Unfunded commitments
Private investment companies, at fair value			
United States domiciled			
Value			
ABC Fund, L.P.[1][4]	11.6%	$50,424,000	
Growth			
JKL Partners, L.P.[2][5]	12.4	53,909,000	
Other	0.3	1,191,000	
Merger arbitrage			
DEF Partners, LLC[3][6]	5.4	23,339,000	
Other	0.4	1,460,000	
Digital Assets[8]	5.1	22,000,000	
Total United States domiciled (cost $142,172,000)	**35.2**	**152,323,000**	
Cayman Islands domiciled			
Private equity – Technology sector			
MNO Fund Ltd., Class A, 30,000 shares owned[3][7]	8.3	35,920,000	$5,000,000
Other	0.5	2,303,000	9,000,000
Total Cayman Islands domiciled (cost $42,319,000)	**8.8**	**38,223,000**	**14,000,000**
Total private investment companies, at fair value (cost $184,491,000)	**44.0%**	**$190,546,000**	**$14,000,000**

[1] See the following page for disclosure of the Fund's proportionate interest in underlying investments that exceeded 5% of the Fund's [partners' capital] [net assets] at December 31, 20XX.

ASC 946-210-50-9

[2] *[The following is an alternative presentation of the Fund's proportionate interest in underlying investments that exceed 5% of the Fund's [partners' capital] [net assets] at December 31, 20XX:]* JKL Partners, L.P. holds an investment in XYZ Corporation common stock with a fair value of $XX,XXX,000. XYZ is a U.S. company in the banking industry. The Fund's proportionate share of this investment is valued at $XX,XXX,000 as of December 31, 20XX.

[3] Information about the investee fund's portfolio is not available.

ASC 946-210-50-10

[4] The investment objective is to invest in companies whose stock the manager feels is undervalued because the company is experiencing legal or management difficulties or is in an industry that is out of favor with the broader investment community or that has not yet been discovered or fully understood.

[5] The investment objective is to obtain capital appreciation over the medium to long term by investing in both well-established companies with above average growth potential and/or in fast-growing industries, such as technology and healthcare

ASC 946-210-50-6(g)

[6] The investment objective is to achieve positive absolute returns, regardless of market conditions, over the long term by investing primarily in securities of companies that are involved in publicly announced mergers and other corporate reorganizations.

[7] The investment objective is to obtain returns by investing primarily in distressed companies undergoing restructurings, reorganizations, or other unusual circumstances.

[8] The investment objective is capital appreciation, which it generally seeks to achieve by investing in blockchain based assets including crypto assets, cryptocurrencies, decentralized application tokens, protocol tokens, smart contracts, security tokens, and other cryptofinance and digital assets (collectively "Digital Assets")

See accompanying notes to the financial statements.

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Appendix B

Investments in private investment companies

Schedule of investments (continued)

December 31, 20XX

ASC 946-210-50-9

The following discloses the Fund's proportionate interest in underlying investments of ABC Fund, L.P. that exceeded 5% of the Fund's December 31, 20XX ***[partners' capital] [net assets]***.

	ABC Fund, L.P. fair value	Fund's proportionate share
Securities, at fair value		
Common stocks		
United States		
Healthcare		
Health Group, Inc. 3,490,910 shares	$195,491,000	$20,106,000
XYZ Corporation, 4,484,523 shares	178,484,000	27,487,000
Total common stocks	**373,975,000**	**47,593,000**
Government debt		
United States		
U.S. Treasury bills, X.X%, 10/15/20XX, principal $146,000,000	**145,491,000**	**22,406,000**
Securities sold short, at fair value		
Common stocks		
United States		
Healthcare		
Health Group	180,999,000	27,874,000
XYZ Corporation	148,491,000	22,867,000
Total common stocks	**329,490,000**	**50,741,000**

See accompanying notes to the financial statements.

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December 31, 20XX

ASC 946-235-50-5(a)

1. Organization

[This note may be used to describe the structure of a fund of funds:] Fund of Funds, L.P. (the Fund), a Delaware investment limited partnership, commenced operations on *[Month, Date, Year]*. The Fund was organized with the objective of obtaining capital appreciation primarily through investments in other private investment companies allocated among diverse investment strategies. The Fund is managed by General Partner, LLC (the General Partner) and Investment Manager, LLC (the Investment Manager). *[If applicable:]* The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

[Include the following paragraph to the Private Investment Companies section of "Valuation techniques and inputs" in note 2 if the Fund has investments that were not valued using the practical expedient:]

ASC 820-10-5-2(bbb), ASC 946-235-50-5(b)

The Fund values investments in private investment companies that do not qualify for the practical expedient based on the Fund's estimates of secondary market transactions for those investments. Those estimates are typically based on adjustments to the NAV per share (or its equivalent) using inputs such as transactions in principal-to-principal or brokered markets; benchmarks, indexes, expected returns, and historical returns of comparable funds; features of the investment; expected discounted future cash flows; and overall market conditions. Investments in private investment companies that are not valued using the practical expedient are typically classified in Level 3 of the fair value hierarchy.

[Include the following paragraph to related-party disclosures if the Fund is invested in another investment company that is affiliated through common management and/or control.]

ASC 850-10-50-1

The Fund had an investment in Related Fund, L.P. an affiliated investment company, of approximately $X,XXX,000, as of December 31, 20XX. *[Include a description of any liquidity provisions of the related-party fund, such as the following example:]* The Fund may redeem its investment in Related Fund, L.P. on a quarterly basis following a 30-day notice period. The management agreement of the affiliated investment company provides for compensation to the manager in the form of fees of X.X% annually of net assets and incentive allocation or fees of XX% of net profits earned (subject to a loss carryforward). For the year ended December 31, 20XX, the Fund was charged management and incentive fees of $XXX,000 and $XXX,000, respectively.

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Appendix B

Investments in private investment companies (continued)

December 31, 20XX

ASC 946-210-50-8 and 9

The following table summarizes the Fund's investments in other private investment companies as of December 31, 20XX. Other private investment companies in which the Fund invested 5% or more of its net assets, as disclosed in the condensed schedule of investments, are individually identified, while smaller investments are aggregated. The Fund's investments in private investment companies have certain redemption and liquidity restrictions that are described in the following table:

ASC 820-10-50-6A(d), ASC 946-210-50-6(g)(2) ASC 820-10-50-6A(e) CFTC Regulation 4.22

Investment strategy	Income (loss)[a]	Fees/allocations[a] Management	Fees/allocations[a] Incentive	Redemption notice period[b]	Redemptions permitted[b]	Liquidity restrictions[b]
Value						
ABC Fund, L.P.	$3,331,000	$1,376,000	$519,000	45 days	Quarterly	None[1]
Growth						
JKL Partners, L.P.	(3,193,000)	969,000	—	30 days	Semiannually	Lockup until April XX, 20XX[2]
Other	87,000	24,000	15,000	30 days	Quarterly	None
Merger arbitrage						
DEF Partners, LLC	(3,922,000)	466,000	—	30 days	Semiannually	Lockup until September XX, 20XX[3]
Other	234,000	31,000	58,000	30 days	Semiannually	None
Private equity						
MNO Fund Ltd.	(2,931,000)	760,000	—	N/A	N/A	See below[4]
Other	(2,191,000)	64,000	—	N/A	N/A	See below[5]
Total	**$(8,585,000)**	**$3,690,000**	**$592,000**			

ASC 820-10-50-6A(e)

[1] Approximately 20% of this private investment company has been placed in a side pocket. It is anticipated that distributions will be made in two to three years.

[2] The private investment company has instituted a gate provision because requests for redemptions for the fourth quarter in 20XX in the aggregate exceeded 20% of the net assets of the underlying fund. The Fund anticipates distributions in *[Month, Year]. [Note: The disclosure of the period of time over which the underlying assets are expected to be liquidated by investees is required only if the investee has communicated the timing to the Fund or announced the timing publicly. If the timing is unknown, the Fund shall disclose that fact and how long the restriction has been in effect.]*

[3] The private investment company can institute a gate provision if requests for redemptions would cause a decline in assets under management of 10% or greater. Investors would have to resubmit redemption requests each quarter until the intended payout is achieved.

[4] It is estimated that the underlying assets of the funds would be liquidated over five to eight years. *[Note:The disclosure of the period of time over which the underlying assets are expected to be liquidated by investees is required only if the investee has communicated the timing to the Fund or announced the timing publicly. If the timing is unknown, the Fund shall disclose that fact.]*

ASC 820-10-50-6A(b)

[5] It is estimated that the underlying assets of the funds would be liquidated over three to five years.

[6] This disclosure is required for commodity pools.

[7] This disclosure is required for all funds either in the footnotes or the schedule of investments.

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December 31, 20XX

[The following represents example disclosures to summarize the overall risks and concentration exposures in the aggregate of the investee(s) by geographic regions, industries, and types of securities. This will need to be customized for each fund of funds specifically:]

ASC 820-10-50-6A

The North America value group disclosed in the preceding table invests solely in the healthcare industry.

The North America merger arbitrage group disclosed in the preceding table consists of hedge funds that invest approximately 60% in equities concentrated in technology and 40% in bonds concentrated in economic, political, and government-driven events.

The private equity categories disclosed in the preceding table invest primarily in foreign technology companies. These investments cannot be voluntarily redeemed. Instead, these investments make distributions as the underlying assets of the funds are liquidated.

The Fund is subject to credit risk to the extent that the investment managers of the underlying private investment companies are unable to fulfill their obligations according to their organizational documents. The Fund, through its private investment companies, is subject to risk inherent when investing in securities and private investments. In connection with its investments, the Fund is subject to the market and credit risk of those investments held or sold short by the private investment companies. Due to the nature of the Fund's investments, the risks described above are limited to the Fund's investment balances and unfunded commitments to private investment companies.

[If applicable:] At December 31, 20XX, certain private investment companies were managed by the same underlying investment manager, representing approximately XX% of the Fund's ***[partners' capital] [net assets]***.

ASC 820-10-50-6A(h)

[If applicable, additional disclosure is required if a reporting entity determines it is probable that it will sell a group of investments, but if the individual investments have not been identified (e.g., if a reporting entity decides to sell 20% of its private equity funds but the individual investments to be sold have not been identified), the reporting entity is required to disclose its plans to sell and remaining actions required to complete the sale(s).]

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Appendix C

See Domestic Fund, L.P. for general references

Offsetting assets and liabilities – Alternative disclosures

The following tables present the effects or potential effects of netting arrangements for derivative contracts and securities purchased under agreements to resell presented in the statement of assets and liabilities as of December 31, 20XX

[The example alternative offsetting tables below may be presented by Funds with multiple counterparties:]

ASC 210-20-50-3

(In thousands)	Gross amounts of recognized assets	Gross amounts offset in the statement of assets	Net amounts of assets presented in the statement of assets and liabilities[1]
Total return swaps	$90,550	$—	$90,550
Swaptions	282	—	282
Securities purchased under agreements to resell	12,450	—	12,450
Total	**$103,282**	**$—**	**$103,282**

Gross amounts not offset in the statement of assets and liabilities

ASC 210-20-55-16

(In thousands) Counterparty	Net amounts of assets presented in the statement of assets and liabilities[1]	Financial instruments (policy election)[2]	Financial instruments (accounting criteria not met)[3]	Financial collateral received[4]	Net amount
Counterparty A	$33,826	$—	$(33,826)	$—	$—
Counterparty B	57,006	(47,772)	—	—	9,234
Other	12,450	—	—	(12,450)	—
Total	**$103,282**	**$(47,772)**	**$(33,826)**	**$(12,450)**	**$9,234**

ASC 210-20-55-10

[1] The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of assets and liabilities as the result of option contracts and warrants in the amount of $72,756,000, which are not subject to enforceable master netting arrangements.

[2] Amounts related to master netting agreements (e.g., ISDA) determined by the Fund to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance, but were not offset due to management's accounting policy election.

[3] Amounts related to master netting agreements determined by the Fund to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance.

[4] Amounts related to master netting agreements and collateral agreements determined by the Fund to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities. Where this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

[Alternatively, the following language may be used if the Fund's derivatives are not subject to an enforceable master netting arrangement or similar agreement and, therefore, are excluded from the tabular disclosures:]

As of December 31, 20XX, the Fund's derivative contracts are not subject to a master netting arrangement.

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Appendix C

Offsetting assets and liabilities – Alternative disclosures (continued)

The following tables present the effects or potential effects of netting arrangements for derivative contracts and securities purchased under agreements to resell presented in the statement of assets and liabilities as of December 31, 20XX

ASC 210-20-50-3

(In thousands) Description	Gross amounts of recognized liabilities	Gross amounts offset in the statement of assets and liabilities	Net amounts of liabilities presented in the statement of assets and liabilities[1]
Credit default swaps	$25,677	$—	$25,677
Total return swaps	69,651	—	69,651
Contracts for differences	22,384	—	22,384
Forward contracts	22,072	—	22,072
Securities sold under agreements to repurchase	10,000	—	10,000
Total	**$149,784**	**$—**	**$149,784**

Gross amounts not offset in the statement of assets and liabilities

ASC 210-20-55-16

(In thousands) Counterparty	Net amounts of liabilities presented in the statement of assets and liabilities[1]	Financial instruments (policy election)[2]	Financial instruments (accounting criteria not met)[3]	Financial collateral received[4]	Net amount
Counterparty A	$92,012	$—	$(33,826)	$(10,000)	$48,186
Counterparty B	47,772	(47,772)	—	—	
Other	10,000	—	—	(10,000)	—
Total	**$149,784**	**$(47,772)**	**$(33,826)**	**$(20,000)**	**$48,186**

ASC 210-20-55-10

[1] The amounts of derivative contracts presented in the preceding table differ from the amounts reported in the statement of assets and liabilities as the result of option contracts in the amount of $15,651,000, which are not subject to enforceable master netting arrangements.

[2] Amounts related to master netting agreements (e.g., ISDA) determined by the Fund to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.

[3] Amounts related to master netting agreements determined by the Fund to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance.

[4] Amounts related to master netting agreements and collateral agreements determined by the Fund to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities. Where this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

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Appendix D

Liquidation basis of accounting

Statement of net assets in liquidation

December 31, 20XX

ASC 205-30-45-1, ASC 205-30-50-1

Assets	
Securities, at liquidation value (cost $82,714,000)	$85,267,000
Derivative contracts, at liquidation value (cost $3,312,000)	3,369,000
Receivable for investment securities sold	5,670,000
Cash and cash equivalents	17,449,000
Dividends and interest receivable	562,000
Total assets	**112,317,000**

Liabilities	
Securities sold short, at liquidation value (proceeds $16,859,000)	24,485,000
Derivative contracts, at liquidation value	5,078,000
Dividends and interest payable	670,000
Accrued estimated disposal costs	1,924,000
Accrued estimated management fees	332,000
Accrued estimated liquidation costs	285,000
Total liabilities	**32,774,000**

Net assets in liquidation	$79,543,000

See accompanying notes to the financial statements.

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Appendix D

Liquidation basis of accounting

Condensed schedule of investments – liquidation basis

December 31, 20XX

ASC 205-30-50-1

	Percentage of net assets in liquidation	Liquidation value
Securities, at liquidation value		
Common stocks		
United States		
Banking		
Public Banking Company A, 1,499,611 shares	50.7%	$40,343,000
Consumer discretionary		
Public Consumer Company A, 600 shares	34.0	27,014,000
Other	8.5	6,753,000
Healthcare	7.2	5,762,000
Real estate	6.8	5,395,000
Total – securities, at liquidation value (cost $82,714,000)	**107.2%**	**$85,267,000**
Derivative contracts (assets), at liquidation value		
Warrants purchased		
United Kingdom		
Banking	4.2%	$3,369,000
Total – derivative contracts (assets), at liquidation value (cost $3,312,000)	**4.2%**	**$3,369,000**

See accompanying notes to the financial statements.

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Appendix D

Liquidation basis of accounting

Condensed schedule of investments – liquidation basis (continued)

December 31, 20XX

ASC 205-30-50-1

	Percentage of net assets in liquidation	Liquidation value
Securities sold short, at liquidation value		
Common stocks		
United Kingdom		
Banking		
Public Banking Company B, 374,055 shares	16.9%	$13,466,000
Other	6.2	4,897,000
Manufacturing	7.7	6,122,000
Total – Securities sold short, at liquidation value (proceeds $16,859,000)	**30.8%**	**$24,485,000**
Derivative contracts (liabilities), at liquidation value		
Total return swaps		
United States		
Banking	4.4%	$3,450,000
Manufacturing	2.0	1,628,000
Total – Derivative contracts (liabilities), at liquidation value	**6.4%**	**$5,078,000**

See accompanying notes to the financial statements.

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Appendix D

Liquidation basis of accounting

Statement of changes in net assets in liquidation

Year ended December 31, 20XX

ASC 205-30-45-1,
ASC 205-30-50-1

[Partners' capital] [Net assets] at ***[Month, Date, Year]***	**$433,245,000**
Cumulative-effect adjustment for change in basis of accounting	**(45,042,000)**
Net assets in liquidation, beginning of period	**$388,203,000**
Net realized gain from investments	127,764,000
Net unrealized loss from investments	(103,752,000)
Net decrease in estimated liquidation value of other assets	(11,000)
Net decrease in estimated interest income	(77,000)
Net increase in estimated interest and dividend expense	(290,000)
Net decrease in estimated disposal costs	267,000
Net decrease in estimated management fees	116,000
Net decrease in estimated liquidation costs	17,000
Distributions to ***[partners] [shareholders]***	(332,694,000)
Net decrease in net assets in liquidation	**(308,660,000)**
Net assets in liquidation, end of period	**$79,543,000**

[If applicable:]The following is a condensed presentation of changes in net assets in liquidation between the General Partner and the Limited Partner classes for the period ***[Month, Date, Year]*** to December 31, 20XX.

	General partner	Limited partners	Total
Net assets in liquidation, beginning of period	**$56,251,000**	**$331,952,000**	**$388,203,000**
Net increase in net assets in liquidation, excluding distributions to partners	3,483,000	20,551,000	24,034,000
Incentive allocation to General Partner	4,110,000	(4,110,000)	—
Distributions to partners	(48,207,000)	(284,487,000)	(332,694,000)
Net assets in liquidation, end of period	**$15,637,000**	**$63,906,000**	**$79,543,000**

See accompanying notes to the financial statements.

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Appendix D

Liquidation basis of accounting

Notes to financial statements

December 31, 20XX

Note: ASC paragraph 205-30-50-1 requires an entity preparing financial statements under the liquidation basis of accounting to make all disclosures required by other FASB ASC Topics that are relevant to understanding the statement of net assets in liquidation and the statement of changes in net assets in liquidation. The financial statement disclosures should also convey information about the estimated amount of cash or other consideration the entity expects to collect and the estimated amount the entity is obligated to pay during the course of liquidation. The appropriate disclosures to meet these objectives should be tailored to the entity's individual circumstances and may vary from entity to entity. See Domestic Fund, L.P. and Offshore Fund, Ltd. for examples of other disclosures that may be used to meet these objectives.

1. Summary of significant accounting policies

The significant accounting policies followed by the Fund are:

ASC 205-30-50-2(a)

Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 946, *Financial Services—Investment Companies*, including liquidation-basis adjustments required by Subtopic 205-30, *Liquidation Basis of Accounting*.

[The following disclosures should be tailored to the Fund's specific circumstances and should include a description of the facts and circumstances surrounding the plan of liquidation and the manner by which the Fund plans to dispose of its assets and settle its liabilities:]

ASC 205-30-50-2(a)

[Include a description of the facts and circumstances surrounding the adoption of the liquidation basis of accounting, such as the example described in the following:] Due to the number of redemption requests received by the Fund, the ***[General Partner] [Investment Manager] [Board of Directors]*** decided to cease operations of the Fund, return the capital balances of the Fund's outside investors, and convert its operations to a family office. On ***[Month, Date, Year],*** the ***[General Partner] [Investment Manager] [Board of Directors]*** approved a plan to liquidate the Fund in an orderly manner. As a result, liquidation became imminent, and the Fund adopted the liquidation basis of accounting, whereby assets are measured at the estimated amount of cash or other consideration that the Fund expects to collect in settling or disposing of those assets, and liabilities are measured at their estimated settlement amounts, including costs the Fund expects to incur through the end of its liquidation (liquidation value). These estimated amounts are undiscounted and are recorded to the extent the Fund has a reasonable basis for estimation.

ASC 205-30-50-2(b)

Under the plan of liquidation, the Fund plans to (1) sell its remaining investments, (2) collect receivables as they become due, (3) use available cash to settle the Fund's obligations, and (4) pay out distributions to the ***[partners] [shareholders]*** of the Fund. The ***[General Partner] [Investment Manager] [Board of Directors]*** anticipates that the liquidation of the Fund will be completed on or about ***[Include the estimated period the Fund expects to complete its liquidation or a range of estimated periods]*** and has determined that the likelihood that the Fund will return from liquidation is remote.

ASC 205-30-50-2(c), ASC 205-30-30-1

For certain investments, securities sold short, and derivatives, fair value may approximate their liquidation values. In addition, the Fund may use other valuation techniques that include assumptions of forced or distressed sales, or when assumptions of exit price conditions are not consistent with market participant assumptions. ***[If applicable, see Domestic Fund, L.P. for examples of fair value accounting policy language to include when fair value approximates liquidation values.]***

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ASC 205-30-25-5, ASC 205-30-30-2, and ASC 205-30-25-6
ASC 250-10-45-5

1. Summary of significant accounting policies (continued)

Liabilities are generally recognized in accordance with the measurement and recognition provisions of GAAP applicable for going-concern entities. In addition, liabilities include estimated costs to dispose of assets or other items the Fund expects to sell during the course of liquidation.

[If the adoption of liquidation basis of accounting is material, the following section may be included if it is not included on the statement of changes in net assets in liquidation:] On adoption of the liquidation basis of accounting, the Fund recorded the following cumulative effect adjustments to net assets in liquidation as of the date of adoption:

	(In thousands)
Adjustments of investments and derivatives to liquidation value	$(37,363)
Adjustments of other assets to liquidation value	(209)
Accrual of estimated interest income	923
Accrual of estimated disposal costs	(6,647)
Accrual of estimated management fees	(1,444)
Accrual of estimated liquidation costs	(302)
Cumulative effect adjustments for change in basis of accounting	**$(45,042)**

[If the adoption of liquidation basis of accounting is not material, the following sentence may be included:] The adoption of the liquidation basis of accounting did not have a material effect on the carrying values of the Fund's assets and liabilities as of the date of adoption.

[If applicable:] The Fund's management determined that presentation of financial highlights is not relevant and useful in understanding the liquidation-basis financial statements. As a result, the Fund elected to exclude the presentation of financial highlights for the period ***[Enter beginning date of liquidation financial statements]*** to December 31, 20XX.

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the estimated liquidation values of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of changes in net assets in liquidation during the reporting period. Actual results could differ from those estimates.

ASC 205-30-50-2(c)

2. Valuation of other investments

At December 31, 20XX, the Fund had securities of $XX,XXX,000, which were measured using other valuation inputs and techniques when fair value did not approximate the liquidation value for those assets. ***[Include a description of other valuation techniques and inputs used to measure assets when fair value does not approximate the amounts expected to be collected for disposing of investments. Examples of valuation techniques and inputs may include discounts to fair value measurements, a description of methods and significant assumptions used to develop those discounts, and the estimated period in which investments are expected of be realized.]***

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December 31, 20XX

2. Valuation of other investments (continued)

[When fair value is used to approximate the liquidation values of investments, fair value disclosures in accordance with ASC Topic 820 should be included. See Domestic Fund, L.P. for examples of fair value disclosures.]

ASC 205-30-50-2(c) and 2(d)

3. Estimated liquidation income and costs

[This note should describe the type and amounts of costs and income accrued in the statement of net assets in liquidation and the period in which those costs are expected to be paid or income to be earned. The following are examples of disclosures of estimated costs and income; however, the disclosures should be tailored to the specific facts and circumstances of the Fund:]

At December 31, 20XX, the Fund accrued estimated interest income of $XXX,000. The Fund's estimates of interest income were based on expected coupon payments on interest-bearing securities and an expected duration for holding the securities through *[Specify the period in which costs are expected to be incurred or income expected to be earned]*. The Fund accrued dividend income from equity securities on the ex-dividend date.

At December 31, 20XX, the Fund accrued estimated disposal costs of $XXX,000, which include brokerage commissions and other costs expected to be incurred to dispose of assets during liquidation. The Fund estimated its disposal costs based on a range of X%–X% of the reported amounts for securities and securities sold short as of December 31, 20XX. At December 31, 20XX, the Fund accrued estimated liquidation costs expected to be incurred through *[Specify the period in which costs are expected to be incurred.]* as follows:

	(In thousands)
Administrative fees	$136
Professional fees	112
Other liquidation expenses	37
Accrued estimated liquidation costs	**$285**

The estimated liquidation costs were based on prior historical information, expected future events, specified contractual obligations, and the estimated time to complete the plan of liquidation. Other costs of liquidation will be recognized when a reasonable basis of estimation becomes determinable.

[If applicable, include a description of subsequent adjustments to previous accruals of estimated income or costs expected to be incurred in liquidation resulting from changes in the methods and assumptions used for previous estimates.]

ASC 205-30-50-2(b)

4. Partners' capital/capital share transactions

[See either Domestic Fund, L.P. or Offshore Fund, Ltd. for examples of disclosures of the pertinent rights and privileges of the Fund's capital structure. The disclosures should be tailored to reflect the provisions in the Fund's legal documents.]

[If applicable:] The Fund has elected to suspend redemptions as of *[Month, Date, Year]*. Distributions after this date are based on proceeds received from the sale of investments and allocated to *[partners] [shareholders]* according to their respective interests in the Fund as of the date the distributions are declared by the Fund.

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Appendix E

See Domestic Fund, L.P. for general references

Disclosure of investments greater than 5% of net assets

December 31, 20XX

[Note: The following example is an alternate presentation of investments that constitute more than 5% of the net assets of the Fund, separate from the presentation of investments by category in the condensed schedule of investments.]

The Fund's investments that exceeded 5% of the Fund's ***[partners' capital] [net assets]*** at December 31, 20XX are:

	Type	Principal amount/ number of shares	Percentage of *[partners' capital] [net assets]*	Fair value
Securities and derivative contracts (assets)				
Public Banking Company A	Common stocks	1,499,611	9.8%	$42,467,000
Public Banking Company A, Class B	Preferred stocks	500,590	5.5	23,828,000
Public Banking Company A, X.X%, due 7/15/20XX	Corporate bonds	$25,000,000	5.2	22,662,000
Public Manufacturing Company A	Common stocks	2,649,160	7.5	32,458,000
Public Manufacturing Company A, expire from 1/31/20XX to 12/31/XX	Total return swaps	—	6.5	27,954,000
Public Manufacturing Company B	Common stocks	1,540,000	8.9	38,571,000
U.S. Treasury Bills, X.X%, due 4/1/20XX	Government bonds	$22,500,000	5.2	22,391,000
Municipality A, X.X%, due 4/1/20XX	Municipal bonds	$25,000,000	5.2	22,592,000
High Yield CLO, X.X%, due 1/31/20XX	Asset-backed securities – Senior debt	$12,500,000	3.0	12,941,000
High Yield CLO, X.X%, due 3/31/20XX	Asset-backed securities – Mezzanine debt	$12,500,000	2.2	9,518,000
Public Health Care Company A, expire 1/31/20XX	Option contracts	—	5.5%	$23,807,000

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Appendix E

See Domestic Fund, L.P. for general references

Disclosure of investments greater than 5% of net assets (continued)

December 31, 20XX

	Type	Principal amount/ number of shares	Percentage of *[partners' capital] [net assets]*	Fair value
Securities sold short and derivative contracts (liabilities)				
Public Retail Company A	Common stocks	851,000	8.8%	$38,051,000
Public Retail Company A, expire 5/1/20XX	Put options written	—	1.0	4,518,000
Public Retail Company A, expire from 1/31/20XX to 12/31/20XX	Total return swaps	—	4.3	18,704,000
Public Manufacturing Company C	Common stocks	651,000	9.3	40,451,000
Public Banking Company A, expire 3/15/20XX	Credit default swaps – Protection written	—	5.3	$22,851,000

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Learn more about how KPMG Alternative Investments practice can help you navigate the most complex business issues affecting your investment and fund decisions.

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