



FINANCIAL STATEMENTS

**THIRD POINT  
OFFSHORE  
MASTER FUND L.P.**

Period Ended June 30, 2020  
Unaudited Condensed Interim Financial Statements

## **Contents**

- 01 Unaudited/Audited Statements of Financial Condition
- 02 Unaudited Statements of Operations
- 03 Unaudited/Audited Statements of Changes in Partners' Capital
- 04 Unaudited Statements of Cash Flows
- 05 Notes to Unaudited Condensed Interim Financial Statements

# Statements of Financial Condition

(Stated in United States Dollars)	Unaudited June 30, 2020 \$	Audited December 31, 2019 \$
<b>Assets</b>		
Cash	546,007,563	51,254
Investments in securities, at fair value (cost \$6,242,915,398, 2019: \$5,597,280,965)	6,824,105,375	6,774,186,121
Investments in affiliated investment funds, at fair value (cost \$26,645,373, 2019: \$27,704,624)	32,283,875	50,704,177
Due from brokers	1,132,637,015	1,136,514,210
Derivative contracts, at fair value (net upfront fees paid and cost of \$2,959,801, 2019: \$12,824,604)	49,075,112	95,390,433
Interest and dividends receivable	11,807,752	5,523,041
Other assets	15,061,004	1,197,009
<b>Total assets</b>	<b>8,610,977,696</b>	<b>8,063,566,245</b>
<b>Liabilities and Partners' Capital</b>		
<b>Liabilities</b>		
Securities sold, not yet purchased, at fair value (proceeds \$852,519,526, 2019: \$1,110,948,432)	921,748,177	1,186,771,029
Securities sold under an agreement to repurchase	9,735,621	-
Due to brokers	1,739,676,531	436,205,370
Derivative contracts, at fair value (net upfront fees received and proceeds of \$5,270,941 2019: \$5,382,634)	143,397,784	74,811,546
Withdrawals payable to Limited Partner	366,685,327	115,896,172
Withdrawals payable to General Partner	-	100,151,936
Interest and dividends payable	2,156,496	2,077,138
Management fee payable	199,111	205,456
Accrued expenses	8,313,484	12,220,323
<b>Total liabilities</b>	<b>3,191,912,531</b>	<b>1,928,338,970</b>
Commitments (See Note 6 and Note 10)		
<b>Partners' capital</b>		
General Partner's capital	6,444,866	6,810,952
Limited Partner's capital	5,412,620,299	6,128,416,323
<b>Total Partners' capital</b>	<b>5,419,065,165</b>	<b>6,135,227,275</b>
<b>Total liabilities and partners' capital</b>	<b>8,610,977,696</b>	<b>8,063,566,245</b>

See accompanying notes.

# Unaudited Statements of Operations

<b>(Stated in United States Dollars)</b>	<b>Half-year June 30, 2020 \$</b>	<b>Half-year June 30, 2019 \$</b>
<b>Realized and unrealized gain/(loss) on investment transactions</b>		
Net realized gain from securities and foreign currency translations	274,357,242	188,449,783
Net realized (loss)/gain from affiliated investment funds and foreign currency translations	(1,442,586)	28,056,377
Net realized (loss)/gain from derivative contracts and foreign currency translations	(24,980,221)	14,004,423
Net change in unrealized gain on securities and foreign currency translations	(589,121,233)	604,848,397
Net change in unrealized gain on affiliated investment funds and foreign currency translations	(17,361,051)	(13,852,207)
Net change in unrealized gain on derivative contracts and foreign currency translations	(105,148,449)	32,817,285
Net (loss)/gain from currencies	(6,410,396)	(4,047,607)
<b>Net realized and unrealized (loss)/gain on investment transactions</b>	<b>(470,106,694)</b>	<b>850,276,451</b>
<b>Investment income</b>		
Interest	52,425,381	62,129,423
Dividends, net of withholding taxes of \$6,948,342 (2019: \$12,145,960)	16,391,294	26,486,266
Stock loan fees	2,907,755	14,846,414
Other	1,378,685	1,357
<b>Total investment income</b>	<b>73,103,115</b>	<b>103,463,460</b>
<b>Expenses</b>		
Management fee	46,093,655	50,797,255
Interest	9,028,974	12,429,882
Dividends on securities sold, not yet purchased	10,179,231	16,504,568
Stock borrow fees	1,402,543	730,705
Administrative and professional fees	3,858,400	3,992,291
Research fees	3,001,000	3,950,000
Other	144,274	6,153,624
<b>Total expenses</b>	<b>73,708,077</b>	<b>94,558,325</b>
<b>Net investment (loss)/income</b>	<b>(604,962)</b>	<b>8,905,135</b>
<b>Net (loss)/income</b>	<b>(470,711,656)</b>	<b>859,181,586</b>

See accompanying notes.

# Statements of Changes in Partners' Capital

## Unaudited Half-year June 30, 2020

(Stated in United States Dollars)	Total \$	General Partner \$	Limited Partner \$
Partners' capital at beginning of period	6,135,227,275	6,810,952	6,128,416,323
Capital contributions	276,124,470	-	276,124,470
Capital withdrawals	(521,574,924)	-	(521,574,924)
Allocation of net income:			
Pro-rata allocation	(470,711,656)	(438,370)	(470,273,286)
Incentive allocation	-	72,284	(72,284)
Net loss	(470,711,656)	(366,086)	(470,345,570)
<b>Partners' capital at end of period</b>	<b>5,419,065,165</b>	<b>6,444,866</b>	<b>5,412,620,299</b>

See accompanying notes.

## Audited Year ended December 31, 2019

(Stated in United States Dollars)	Total \$	General Partner \$	Limited Partner \$
Partners' capital at beginning of year	6,046,404,622	5,440,032	6,040,964,590
Capital contributions	146,836,149	9,992,168	136,843,981
Capital withdrawals	(1,158,205,006)	(119,934,193)	(1,038,270,813)
Allocation of net income:			
Pro-rata allocation	1,100,191,510	1,370,920	1,098,820,590
Incentive allocation	-	109,942,025	(109,942,025)
Net income	1,100,191,510	111,312,945	988,878,565
<b>Partners' capital at end of year</b>	<b>6,135,227,275</b>	<b>6,810,952</b>	<b>6,128,416,323</b>

See accompanying notes.

# Unaudited Statements of Cash Flows

(Stated in United States Dollars)	Half-year June 30, 2020 \$	Half-year June 30, 2019 \$
<b>Cash flows from operating activities</b>		
Net Income (Loss)	(470,711,656)	859,181,586
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Purchases of investment securities	(9,512,508,506)	(5,362,539,709)
Proceeds from disposition of investment securities	9,187,836,145	4,787,993,185
Purchases of investment securities to cover short sales	(923,752,748)	(1,996,153,214)
Proceeds from short sales of investment securities	619,528,711	2,260,114,254
Purchases of affiliated investment funds	(22,056,398)	(4,195,295)
Proceeds from disposition of affiliated investment funds	21,673,063	51,232,490
Purchases of derivative contracts	198,846,766	(50,577,270)
Proceeds from disposition of derivative contracts	(214,073,877)	77,521,932
Net realized gain from securities and foreign currency translations	(274,357,242)	(188,449,783)
Net realized gain from affiliated investment funds and foreign currency translations	1,442,586	(28,056,377)
Net realized gain from derivative contracts and foreign currency translations	24,980,221	(14,004,423)
Net change in unrealized gain on securities and foreign currency translations	589,121,233	(604,848,397)
Net change in unrealized gain on affiliated investment funds and foreign currency translations	17,361,051	13,852,207
Net change in unrealized gain on derivative contracts and foreign currency translations	105,148,449	(32,817,285)
Amortization of premium and accretion of discount, net	(809,699)	5,220,403
Changes in operating assets and liabilities:		
Decrease in due from brokers	3,877,195	1,019,413,998
Increase in interest and dividends receivable	(6,284,711)	(8,609,191)
Decrease in other assets	(13,863,995)	878,302
(Decrease)/Increase in securities sold under agreement to repurchase	9,735,621	4,130,032
Increase/(Decrease) in due to brokers	1,303,471,161	(8,387,449)
(Decrease)/Increase in management fee payable	(6,345)	(2,745)
Increase in interest and dividends payable	79,358	1,359,655
Increase/(Decrease) in accrued expenses	(3,906,839)	1,883,769
<b>Net cash provided by operating activities</b>	<b>640,769,544</b>	<b>784,140,675</b>
<b>Cash flows used in financing activities</b>		
Capital contributions	276,124,470	49,720,875
Capital withdrawals	(370,937,705)	(833,823,169)
<b>Net cash used in financing activities</b>	<b>(94,813,235)</b>	<b>(784,102,294)</b>
Net increase in cash	545,956,309	38,381
Cash at beginning of period	51,254	6,784
<b>Cash at end of period</b>	<b>546,007,563</b>	<b>45,165</b>
<b>Supplemental disclosure of cash flow information</b>		
<b>Cash paid during the period for interest</b>	<b>8,949,616</b>	<b>9,508,536</b>

See accompanying notes.

# Notes to Unaudited Condensed Interim Financial Statements

Period ended June 30, 2020

## 1. Organization

Third Point Offshore Master Fund L.P. (the "Partnership") was organized as a limited partnership under the laws of the Cayman Islands and commenced operations on January 1, 2009. The Partnership was formed to trade and invest primarily in equity and debt securities of U.S. and foreign companies. The investment objective of the Partnership is to achieve superior risk-adjusted returns by deploying capital in investments with a favorable risk/reward scenario across select asset classes, sectors, and geographies, both long and short. Third Point LLC (the "Investment Manager") identifies these opportunities using a combination of top-down asset allocation decisions and a bottom-up, value-oriented approach to single security analysis. The Investment Manager supplements single security analysis with an approach to portfolio construction that includes sizing each investment based on upside/downside calculations, all with a view towards appropriately positioning and managing overall exposures across specific asset classes, sectors and geographies. The Partnership will continue until terminated as provided for in the Fifth Amended and Restated Exempted Limited Partnership Agreement (the "Agreement").

The Partnership serves as the master fund in a "master-feeder" structure whereby Third Point Offshore Fund, Ltd. (the "Feeder"), a Cayman Islands exempted company, invests substantially all of its net assets in the Partnership, which conducts all investment and trading activities on behalf of the Feeder fund. The Feeder and the Partnership have the same investment objectives. At June 30, 2020, approximately 99.9% of the Partnership's capital was owned by the Feeder.

Third Point LLC is the Investment Manager of the Partnership. The General Partner of the Partnership is Third Point Advisors II L.L.C. The Investment Manager is registered with the Securities and Exchange Commission as an Investment Adviser under the Investment Advisers Act of 1940. The Investment Manager and the General Partner are responsible for the operation and management of the Partnership.

The Partnership is an investment company and applies specialized accounting guidance as outlined in *Financial Services – Investment Companies (Topic 946)*. The Investment Manager evaluated this guidance and determined that the Partnership meets the criteria to be classified as an investment company. Accordingly, the Partnership reflects its investments in the Statements of Financial Condition at their estimated fair value, with unrealized gains and losses resulting from changes in fair value, if any, reflected in net change in unrealized gain/loss on securities, affiliated investment funds, derivative contracts and foreign currency translations in the Statements of Operations.

International Fund Services (N.A.), L.L.C. serves as the administrator (the "Administrator") and transfer agent to the Partnership.

## 2. Significant Accounting Policies

The Partnership's unaudited interim financial statements are condensed in whole, guided by U.S. generally accepted accounting principles ("U.S. GAAP") and are expressed in United States dollars. Where applicable, certain notes to the unaudited interim financial statements are condensed to include only information relevant to Third Point Investors Limited ("ListCo"). The Partnership's unaudited interim financial statements have been prepared without a Condensed Schedule of Investments, which the Partnership will include in the audited financial statements for the year ended December 31, 2020. The following is a summary of the significant accounting and reporting policies:

The Partnership is exempt from all forms of taxation in the Cayman Islands, including income, capital gains and withholding taxes. In jurisdictions other than the Cayman Islands, in some cases foreign taxes will be withheld at source on dividends and certain interest received by the Partnership. Capital gains derived by the Partnership in such jurisdictions generally will be exempt from foreign income or

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 2. Significant Accounting Policies (continued)

withholding taxes at the source. The Partnership will be treated as a partnership for federal income tax purposes and each investor will be subject to taxation on its share of the fund's ordinary income and capital gains.

The Partnership evaluates tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a "more likely-than-not" threshold would be recorded as a tax expense in the current period. The General Partner has reviewed the Partnership's tax positions and has concluded that no material provision for income tax is required in the Partnership's financial statements. Generally, the Partnership is subject to income tax examinations by major taxing authorities including United States and other authorities for open tax years since inception.

The Partnership would recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statements of Operations. During the period ended June 30, 2020, the Partnership did not incur any interest or penalties related to unrecognized tax positions.

The Partnership records security transactions and related income and expense on a trade-date basis. Realized gains and losses are determined using cost calculated on a specific identification basis. Dividends are recorded on the ex-dividend date. Income and expense are recorded on the accrual basis including interest and premiums amortized and discounts accreted on interest bearing investments.

The Partnership may enter into repurchase and reverse repurchase agreements with financial institutions in which the financial institution agrees to resell or repurchase securities and the Partnership agrees to repurchase or resell such securities at a mutually agreed price upon maturity. Repurchase and reverse repurchase agreements are reflected on the Statements of Financial Condition as "securities purchased under agreement to resell" and "securities sold under agreement to repurchase", respectively. These agreements are collateralized primarily by debt securities. Interest expense and income related to repurchase and reverse repurchase agreements held during the period ended June 30, 2020 are included in interest payable and receivable in the Statements of Financial Condition. During the period ended June 30, 2020, there was no gain or loss on foreign currency related to repurchase agreements. Generally, repurchase and reverse repurchase agreements that the Partnership enters into mature within 30 to 90 days.

The Partnership engages in securities lending transactions whereby upon the Partnership's request, its prime brokers, as lending agents, may loan securities of the Partnership as selected by the Partnership to certain institutions. The securities loaned are generally collateralized in the form of cash or U.S. treasury securities in an amount typically at least equal to the fair value of the securities loaned. The fair value of the loaned securities is determined at the close of business on each business day and any additional required collateral is delivered to the Partnership on the next business day. Risks may arise upon entering into securities lending transactions to the extent that the value of the collateral is less than the value of the securities loaned due to changes in the value of the securities loaned.

The Partnership may lend securities for securities lending transactions or pledge securities and/or cash for securities borrowed transactions. The value of any securities loaned is reflected in investments in securities in the Statements of Financial Condition. As of June 30, 2020, the Partnership lent securities of \$4,049,462 to counterparties. Any cash received as secured borrowings or as collateral under securities lending or repurchase agreements are reflected in due to brokers. Any securities received as collateral under reverse repurchase agreements are recorded in the Statement of Financial Condition to the extent they have been re-hypothecated or used to satisfy proprietary short selling.

Changes in the value of the securities loaned that may occur during the course of the loan will be recognized by the Partnership. The Partnership has the right under the lending agreement to recover the



## 2. Significant Accounting Policies (continued)

securities from the borrower on demand. The Partnership receives interest based on the outstanding fair value of the loaned shares at a rate that is initially agreed with the prime broker prior to lending the shares and is subject to change by mutual agreement of the parties over the course of the transaction.

The Partnership's repurchase and securities lending agreements may result in credit exposure in the event the counterparty to the transaction is unable to fulfill its contractual obligations. It is the Partnership's policy to monitor and control collateral under such agreements. Refer to note 8 for additional disclosures regarding the Partnership's collateral policy.

The following table presents the remaining contractual maturity of the securities lending transactions and repurchase agreements, as well as the total amount to be received upon repurchase by class of collateral received and pledged, respectively, as of June 30, 2020.

	Overnights and Continuous \$	Up to 30 days \$	30 - 90 days \$	Greater Than 90 days \$	Total \$
<b>Securities lending transactions</b>					
U.S. Treasury securities	4,054,875	-	-	-	4,054,875
<b>Repurchase agreements</b>					
Corporate Bonds	-	-	9,735,621	-	9,735,621

The fair value of the Partnership's assets and liabilities which qualify as financial statements approximates the carrying amounts presented in the Statements of Financial Condition.

The preparation of unaudited condensed interim financial statements requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Investment Manager has a formal valuation policy that sets forth the pricing methodology for investments to be implemented in fair valuing each security in the Partnership's portfolio. Depending on market or company circumstances, valuation techniques and methodologies may change from year to year. The valuation policy is updated and approved at least on an annual basis by the valuation committee (the "Committee"). The Committee is comprised of officers and employees who are senior business management personnel. The Committee meets on a monthly basis. The Committee's role is to review and verify the propriety and consistency of the valuation methodology to determine fair value of investments. The Committee also reviews any due diligence performed and approves any changes to current or potential external pricing vendors.

Securities listed on a national securities exchange or quoted on NASDAQ are valued at their last sales price as of the last business day of the period. Listed securities with no reported sales on such date and over-the-counter ("OTC") securities are valued at their last closing bid price if held long by the Partnership and last closing ask price if held short by the Partnership. Approximately \$790.9 million, or approximately 11.5% of the Partnership's investment in securities, affiliated investment funds and derivative assets, are valued based on dealer quotes or other quoted market prices for similar securities.

Private securities, real estate and related debt investments are not registered for public sale and are carried at an estimated fair value at the end of the period, as determined by the Investment Manager. Valuation techniques used by the Investment Manager in determining fair value may include market approach, appraisals, last transaction analysis, liquidation analysis and/or using discounted cash flow models where the significant inputs could include but are not limited to additional rounds of equity financing, financial metrics such as revenue multiples or price-earnings ratio, discount rates, appraisals

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 2. Significant Accounting Policies (continued)

revenue projections and other factors. In addition, the Investment Manager may employ third party valuation firms to conduct separate valuations of such private securities. The third party valuation firms provide the Investment Manager with a written report documenting their recommended valuation as of the determination date for the specified investments.

Due to the inherent uncertainty of valuation for these investments, the estimate of fair value for the Partnership's interest in these investments may differ from the values that would have been used had a ready market existed for the investment, and the difference could be material. At June 30, 2020, the Partnership had approximately \$542.0 million of assets and approximately \$31.5 million of liabilities fair valued by the Investment Manager, representing approximately 7.8% of investments in securities, affiliated investment funds and derivative contracts and 3.0% of securities sold, not yet purchased and derivative contracts, respectively. Approximately 99.4% of the investments in securities, affiliated investment funds and derivative contracts that were fair valued by the Investment Manager and 100% of the securities sold, not yet purchased that were fair valued by the Investment Manager were valued by third party valuation firms. The resulting unrealized gains and losses are reflected in the Statements of Operations.

The Partnership's derivatives are recorded at fair value. The Partnership values exchange-traded derivative contracts at their last sales price on the exchange where it is primarily traded. OTC derivatives, which include swap, option, swaption, and forward currency contracts, are valued at independent values provided by third party sources when available; otherwise, fair values are obtained from counterparty quotes that are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of the underlying financial instruments.

As of June 30, 2020, all of the Partnership's asset-backed securities ("ABS") holdings were private-label issued, non-investment grade securities, and none of these securities were guaranteed by government-sponsored entities. These investments are valued using broker quotes or a recognized third-party pricing vendor, where available. All of these classes of ABS are sensitive to changes in interest rates and any resulting change in the rate at which borrowers sell their properties, refinance, or otherwise pre-pay their loans. As an investor in these classes of ABS, the Partnership may be exposed to the credit risk of underlying borrowers not being able to make timely payments on loans or the likelihood of borrowers defaulting on their loans. In addition, the Partnership may be exposed to significant market and liquidity risks.

Investment funds are valued at fair value. Fair values are generally determined utilizing the net asset value ("NAV") provided by, or on behalf of, the underlying investment managers of each investment fund, which is net of management and incentive fees or allocations charged by the investment fund and is in accordance with the "practical expedient", as defined by the Accounting Standards Update ("ASU") 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share*. NAVs received by, or on behalf of, the underlying investment managers are based on the fair value of the investment funds' underlying investments in accordance with policies established by each investment fund, as described in each of their financial statements and offering memorandum. The strategies of the underlying investment funds include communications, global emerging markets, real estate, regional markets, financial, multi-strategy, middle market buy-out and litigation financing. The Investment Manager generally has limited access, if any, to specific information regarding the underlying non-affiliated investment managers' portfolios and relies on NAVs as a practical expedient provided by or on behalf of the underlying managers. The management agreements of non-related party investment funds provide for compensation to the underlying managers in the form of management and performance fees. The Partnership's investments in investment funds are non-redeemable and distributions are made by the investment funds as underlying investments are monetized. It is expected that the underlying investments will be monetized over the next five years. During the period ended June 30, 2020, the Partnership did not receive any distributions relating to the investment funds' underlying investments.

## 2. Significant Accounting Policies (continued)

Investments in affiliated investment funds are recorded at fair value in accordance with the valuation policies discussed above. Investments in affiliated investment funds include investments in two affiliated funds valued using NAV as a “practical expedient”. Investments in affiliated funds also include the Partnership’s investments in the equity and debt instruments of the special-purpose entities managed by the Investment Manager.

Certain of the Partnership’s investments are denominated in foreign currencies and thus, are subject to the risk associated with foreign currency fluctuations. These investments are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investments and income and expenses denominated in foreign currencies are translated in U.S. dollar amounts on the respective dates of such transactions. The Partnership does not isolate the portion of the results of operations resulting from change in foreign exchange rates on investments, investments in affiliated investment funds and derivative contracts from the fluctuations arising from changes in market values of investments, investments in affiliated investment funds, and derivative contracts. Such fluctuations are included within net realized gain/(loss) on securities, affiliated investment funds, derivative contracts and foreign currency translations and net change in unrealized gain/(loss) on securities, affiliated investment funds, derivatives, and foreign currency translations in the Statements of Operations.

Fair value is defined as the price that the Partnership would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure requirements also establish a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The three-tier hierarchy of inputs is summarized below:

- Level 1 – Quoted prices available in active markets/exchanges for identical investments as of the reporting date. The types of assets and liabilities that are classified at this level generally include equity securities, futures and option contracts listed in active markets.
- Level 2 – Pricing inputs other than observable inputs including but not limited to prices quoted for similar assets or liabilities in active markets/exchanges or prices quoted for identical or similar assets or liabilities in markets that are not active, and fair value is determined through the use of models or other valuation methodologies. The types of assets and liabilities that are classified at this level generally include equity securities traded on non-active exchanges, corporate, sovereign, asset-backed and bank debt securities, forward contracts and certain derivatives.
- Level 3 – Pricing inputs are unobservable due to little, if any, market activity and data. The inputs into determination of fair value require significant management judgment and estimation. The types of assets and liabilities that are classified at this level generally include certain corporate and bank debt, asset-backed securities, private investments, trade claims and certain derivatives.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Situations may arise when market quotations or valuations provided by external pricing vendors are available but the fair value may not represent current market conditions. In those cases, the Investment Manager may substitute valuations provided by external pricing vendors with multiple broker-dealer quotations.

In accordance with U.S. GAAP, the Partnership has not leveled positions valued using NAV as a practical expedient.

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## **2. Significant Accounting Policies (continued)**

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Investment Manager's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The key inputs for corporate, government and sovereign bonds valuation are coupon frequency, coupon rate and underlying bond spread. The key inputs for asset-backed securities are yield, probability of default, loss severity and prepayment.

Key inputs for OTC valuation vary based on the type of underlying on which the contract was written. Please see below discussion by OTC type:

- The key inputs for most OTC option contracts include notional, strike price, maturity, payout structure, current foreign exchange forward and spot rates, current market price of underlying and volatility of underlying.
- The key inputs for most forward contracts include notional, maturity, forward rate, spot rate, various interest rate curves and discount factor.
- The key inputs for swap valuation will vary based on the type of underlying on which the contract was written. Generally, the key inputs for most swap contracts include notional, swap period, fixed rate, credit or interest rate curves, current market or spot price of the underlying and the volatility of the underlying.

**2. Significant Accounting Policies (continued)**

The following is a summary of the Partnership's assets and liabilities categorized by the inputs utilized to determine their fair value as of June 30, 2019:

**Fair Value Measurements at June 30, 2020**

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Assets</b>				
<b>Investments in Securities</b>				
<b>Equity Securities</b>				
Communications	823,893,705	-	-	823,893,705
Consumer, Cyclical	827,118,170	2,306,549	-	829,424,719
Consumer, Non-Cyclical	642,642,248	-	-	642,642,248
Energy	39,186,636	-	-	39,186,636
Financial	206,485,754	-	5	206,485,759
Industrial	458,185,142	-	-	458,185,142
Technology	626,414,075	20,092,945	-	646,507,020
Utilities	48,405,289	292,226,932	16	340,632,237
<b>Total Equity Securities</b>	<b>3,672,331,019</b>	<b>314,626,426</b>	<b>21</b>	<b>3,986,957,466</b>
<b>Asset-Backed Securities</b>				
Aircraft	-	6,470,503	6,197,154	12,667,657
Consumer Loan	-	104,545,534	54,892,180	159,437,714
Mortgage	-	1,019,749,730	175,668,479	1,195,418,209
Student Loan	-	-	1,036,900	1,036,900
<b>Total Asset-Backed Securities</b>	<b>-</b>	<b>1,130,765,767</b>	<b>237,794,713</b>	<b>1,368,560,480</b>
<b>Corporate Bonds</b>				
Communications	-	28,960,381	-	28,960,381
Consumer, Cyclical	-	114,760,445	-	114,760,445
Consumer, Non-Cyclical	-	38,780,201	7,408,240	46,188,441
Energy	-	314,571,618	5,567,416	320,139,034
Financial	-	24,134,931	-	24,134,931
Industrial	-	119,453,521	-	119,453,521
Real Estate	-	-	49,555,407	49,555,407
Technology	-	35,772,019	2,146,099	37,918,118
Utilities	-	192,058,511	-	192,058,511
<b>Total Corporate Bonds</b>	<b>-</b>	<b>868,491,627</b>	<b>64,677,162</b>	<b>933,168,789</b>

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Private Preferred Equity Securities</b>				
Consumer, Cyclical	-	-	5,055,977	5,055,977
Consumer, Non-Cyclical	-	-	41,795,792	41,795,792
Financial	-	-	111,003,885	111,003,885
Industrial	-	-	-	-
Technology	-	-	254,357,084	254,357,084
<b>Total Private Preferred Equity Securities</b>	-	-	<b>412,212,738</b>	<b>412,212,738</b>
<b>Private Common Equity Securities</b>				
Consumer, Non-Cyclical	-	-	113,679	113,679
Energy	-	-	6,815,133	6,815,133
Financial	-	-	11,534,969	11,534,969
Technology	-	-	1,470,100	1,470,100
<b>Total Private Common Equity Securities</b>	-	-	<b>19,933,881</b>	<b>19,933,881</b>
<b>Real Estate</b>				
Commercial	-	-	33,480,911	33,480,911
<b>Total Real Estate</b>	-	-	<b>33,480,911</b>	<b>33,480,911</b>
<b>Rights and Warrants</b>				
Consumer Loan	-	-	11,647,010	11,647,010
Consumer, Non-Cyclical	-	1,664,246	-	1,664,246
Financial	268,365	-	-	268,365
Technology	-	-	2,674	2,674
<b>Total Rights and Warrants</b>	<b>268,365</b>	<b>1,664,246</b>	<b>11,649,684</b>	<b>13,582,295</b>
<b>Options</b>				
Communications	-	7,503,325	-	7,503,325
Financial	-	3,870,241	-	3,870,241
<b>Total Options</b>	-	<b>11,373,566</b>	-	<b>11,373,566</b>
<b>Bank Debt</b>				
Consumer, Cyclical	-	399,573	-	399,573
Utilities	-	5,001,506	-	5,001,506
<b>Total Bank Debt</b>	-	<b>5,401,079</b>	-	<b>5,401,079</b>

## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Sovereign Debt</b>				
Republic Of Argentina	-	2,208,478	-	2,208,478
<b>Total Sovereign Debt</b>	-	<b>2,208,478</b>	-	<b>2,208,478</b>
<b>Trade Claims</b>				
Financial	-	-	241,359	241,359
<b>Total Trade Claims</b>	-	-	<b>241,359</b>	<b>241,359</b>
<b>Derivative Contracts<sup>(1)</sup></b>				
<b>Contracts For Differences – Long Contracts</b>				
Communications	-	15	-	15
Consumer, Non-Cyclical	-	8,688	-	8,688
Financial	-	25,749,436	-	25,749,436
Industrial	-	1,200,354	-	1,200,354
Technology	-	250,138	-	250,138
<b>Total Contracts for Differences – Long Contracts</b>	-	<b>27,208,631</b>	-	<b>27,208,631</b>
<b>Contracts for Differences – Short Contracts</b>				
Technology	-	437,255	-	437,255
<b>Total Contracts for Differences – Short Contracts</b>	-	<b>437,255</b>	-	<b>437,255</b>
<b>Credit Default Swaps – Protection Purchased</b>				
Asset-Backed Securities Index	-	-	672,320	672,320
<b>Total Credit Default Swaps – Protection Purchased</b>	-	-	<b>672,320</b>	<b>672,320</b>
<b>Credit Default Swaps – Protection Sold</b>				
Asset-Backed Securities	-	-	213	213
<b>Total Credit Default Swaps – Protection Sold</b>	-	-	<b>213</b>	<b>213</b>
<b>Foreign Currency Forward Contracts</b>				
Buy United States Dollar, Sell Chinese Yuan	-	610,363	-	610,363
Buy United States Dollar, Sell Japanese Yen	-	360,364	-	360,364
<b>Total Foreign Currency Forward Contracts</b>	-	<b>970,727</b>	-	<b>970,727</b>
<b>Index Futures – Short Contracts</b>				
Index	3,111,892	-	-	3,111,892
<b>Total Index Futures – Short Contracts</b>	<b>3,111,892</b>	-	-	<b>3,111,892</b>

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Total Return Swaps – Long Contracts</b>				
Consumer, Cyclical	-	15,950,637	-	15,950,637
Financial	-	-	41,104	41,104
<b>Total Total Return Swaps – Long Contracts</b>	-	<b>15,950,637</b>	<b>41,104</b>	<b>15,991,741</b>
<b>Total Return Swaps – Short Contracts</b>				
Communications	-	682,333	-	682,333
<b>Total Total Return Swaps – Short Contracts</b>	-	<b>682,333</b>	-	<b>682,333</b>
<b>Subtotal</b>	<b>3,675,711,276</b>	<b>2,379,780,772</b>	<b>780,704,106</b>	<b>6,836,196,154</b>
<b>Investments in Funds valued at NAV</b>				<b>69,268,208</b>
<b>Investments in Securities, Affiliated Investment Funds, and Derivative Contracts</b>				<b>6,905,464,362</b>
<b>Liabilities</b>				
<b>Equity Securities</b>				
Basic Materials	113,809,694	-	-	113,809,694
Consumer, Cyclical	27,415,887	-	-	27,415,887
Consumer, Non-Cyclical	139,538,924	-	-	139,538,924
Energy	29,865,456	-	-	29,865,456
Financial	45,272,223	-	31,486,893	76,759,116
Funds	75,283,263	-	-	75,283,263
Industrial	181,086,121	-	-	181,086,121
Technology	17,939,438	46,974,397	-	64,913,835
Utilities	70,226,216	-	-	70,226,216
<b>Total Equity Securities</b>	<b>700,437,222</b>	<b>46,974,397</b>	<b>31,486,893</b>	<b>778,898,512</b>
<b>Treasury Securities</b>				
Government	-	125,685,049	-	125,685,049
<b>Total Treasury Securities</b>	-	<b>125,685,049</b>	-	<b>125,685,049</b>
<b>Corporate Bonds</b>				
Consumer, Cyclical	-	12,061,599	-	12,061,599
<b>Total Corporate Bonds</b>	-	<b>12,061,599</b>	-	<b>12,061,599</b>
<b>Options</b>				
Communications	-	667,510	-	667,510
Consumer, Cyclical	-	146,227	-	146,227
Consumer, Non-Cyclical	-	469,056	-	469,056
Financial	-	3,820,224	-	3,820,224
<b>Total Options</b>	-	<b>5,103,017</b>	-	<b>5,103,017</b>



## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Derivative Contracts<sup>(1)</sup></b>				
<b>Contracts for Differences – Long Contracts</b>				
Consumer, Cyclical	-	3,659	-	3,659
Consumer, Non-Cyclical	-	30,598,473	-	30,598,473
Financial	-	38,039,765	-	38,039,765
Industrial	-	6,012,048	-	6,012,048
Technology	-	429,655	-	429,655
<b>Total Contracts for Differences – Long Contracts</b>	<b>-</b>	<b>75,083,600</b>	<b>-</b>	<b>75,083,600</b>
<b>Contracts for Differences – Short Contracts</b>				
Consumer, Cyclical	-	2,029,472	-	2,029,472
Consumer, Non-Cyclical	-	814,660	-	814,660
Energy	-	13,164,267	-	13,164,267
Equity Swap Basket	-	858,723	-	858,723
<b>Total Contracts for Differences – Short Contracts</b>	<b>-</b>	<b>16,867,122</b>	<b>-</b>	<b>16,867,122</b>
<b>Credit Default Swaps – Protection Purchased</b>				
Asset-Backed Securities Index	-	-	100,091	100,091
<b>Total Credit Default Swaps – Protection Purchased</b>	<b>-</b>	<b>-</b>	<b>100,091</b>	<b>100,091</b>
<b>Foreign Currency Forward Contracts</b>				
Buy United States Dollar, Sell Hong Kong Dollar	-	5,103,215	-	5,103,215
Buy United States Dollar, Sell Swiss Franc	-	136,410	-	136,410
<b>Total Foreign Currency Forward Contracts</b>	<b>-</b>	<b>5,239,625</b>	<b>-</b>	<b>5,239,625</b>
<b>Index Future – Short Contracts</b>				
Index	3,687,176	-	-	3,687,176
<b>Total Index Future – Short Contracts</b>	<b>3,687,176</b>	<b>-</b>	<b>-</b>	<b>3,687,176</b>
<b>Sovereign Futures – Short Contracts</b>				
Us Treasury Securities	434,874	-	-	434,874
<b>Total Sovereign Futures – Short Contracts</b>	<b>434,874</b>	<b>-</b>	<b>-</b>	<b>434,874</b>

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Total Return Swaps – Long Contracts</b>				
Consumer, Cyclical	-	825,292	-	825,292
Energy	-	116,841	-	116,841
Funds	-	283	-	283
Utilities	-	160,823	-	160,823
<b>Total Return Swaps – Long Contracts</b>	-	<b>1,103,239</b>	-	<b>1,103,239</b>
<b>Total Return Swaps – Short Contracts</b>				
Communications	-	122,236	-	122,236
Equity Swap Basket	-	34,527,811	-	34,527,811
Financial	-	4,855,685	-	4,855,685
Technology	-	1,376,325	-	1,376,325
<b>Total Return Swaps – Short Contracts</b>	-	<b>40,882,057</b>	-	<b>40,882,057</b>
<b>Total Securities Sold, not yet Purchased and Derivative Contracts</b>	<b>704,559,272</b>	<b>328,999,705</b>	<b>31,586,984</b>	<b>1,065,145,961</b>

(1) Derivative instruments are shown gross of any offsetting permitted under U.S. GAAP.

The following table is a summary of transactions relating to assets and liabilities the Partnership held during the period ended June 30, 2020 at fair value using significant unobservable inputs (Level 3):

### Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Transfers into Level 3 \$	Transfers out of Level 3 \$	Purchases \$
<b>Assets</b>			
Asset-Backed Securities	121,954,669	(34,699,731)	121,472,738
Corporate Bonds	-	-	16,412,262
Private Preferred Equity Securities	-	-	18,323,704
Private Common Equity Securities	-	-	302,141
Bank Debt	-	-	-
Real Estate	-	-	4,031,756
Rights and Warrants	-	-	252,416
Trade Claims	241,359	-	-
<b>Total Assets</b>	<b>122,196,028</b>	<b>(34,699,731)</b>	<b>160,795,017</b>

During the period ended June 30, 2020, assets were transferred into Level 3 due to lack of observable inputs while assets were transferred out due to additional observable inputs.

**2. Significant Accounting Policies (continued)**

Assets and liabilities of the Partnership fair valued using significantly unobservable inputs (Level 3) include investments fair valued by the Investment Manager, previously discussed in Note 2, but are not limited to such investments.

The following table summarizes information about the significant unobservable inputs used in determining the fair value of the Level 3 assets held by the Partnership. Level 3 investments not presented in the table below generally do not have any unobservable inputs to disclose, as they are valued primarily using dealer quotes, at cost or net asset value for investment in investment funds.

<b>Asset</b>	<b>Fair Value \$</b>	<b>Valuation Techniques</b>	<b>Unobservable Input</b>	<b>Range</b>
Private Equity investments	402,708,535	Market Approach	Volatility	25-65%
			Discount	6-11.5%
			Time to Exit	0.5-4.5 years
			Multiples	3-14.75x
Real Estate	33,480,911	Discounted Cash Flow	Discount	8.75-10%
			Capitalization rate	6.75
Rights and Warrants	11,647,010	Discounted Cash Flow	Discount	6.5-8.5%
			Time to Exit	1-2 years
			Multiples	1.5-1.8x
Corporate Bonds	10,674,003	Discounted Cash Flow	Discount	9-11.5%
			Time to Exit	1-2 years
			Multiples	3-14.75x

**3. Administration Fee**

The Partnership has entered into an administrative services agreement with the Administrator. In accordance with the terms of this agreement, the Administrator provides certain specified fund accounting and administration, trade support and transfer agent services. For the period ended June 30, 2020, the Administrator received a fee of \$2,013,259.

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 4. Due from/to Brokers

The Partnership holds substantially all of its investments through its prime brokers (Goldman Sachs, Bank of America Merrill Lynch, JPMorgan, Citi, UBS, Barclays, Morgan Stanley and Credit Suisse) pursuant to various agreements between the Partnership and each prime broker. The brokerage arrangements differ from broker to broker, but generally cash and investments in securities balances are available as collateral against securities sold, not yet purchased and derivative positions, if required. As of June 30, 2020, the Partnership's due from/to brokers were presented gross on the Statements of Financial Condition and were comprised of the following:

	As of June 30, 2020	As of December 31, 2019
	\$	\$
<b>Due from brokers</b>		
Cash/collateral held at brokers	761,984,377	1,124,215,078
Receivable from unsettled trades	370,652,638	12,299,132
<b>Total</b>	<b>1,132,637,015</b>	<b>1,136,514,210</b>
<b>Due to brokers</b>		
Borrowing/ collateral received from prime brokers	1,219,124,813	360,610,477
Payable from unsettled trades	520,551,718	75,594,893
<b>Total</b>	<b>1,739,676,531</b>	<b>436,205,370</b>

Margin debt balances were collateralized by cash held by the broker and certain of the Partnership's securities. Margin interest was paid either at the daily broker call rate or based on LIBOR.

Due from/to brokers include cash balances maintained with the Partnership's prime brokers, receivables and payables from unsettled trades and proceeds from securities sold, not yet purchased. In addition, due from/to brokers includes cash collateral received and posted from OTC and repurchase agreement counterparties. At June 30, 2020, the Partnership's due from/to brokers includes a total non-U.S. currency payable balance of \$55,349,107.

## 5. Allocation of Net Income or Net Loss

In accordance with the provisions of the Agreement, net income or net loss of the Partnership is allocated to the general capital account of the Feeder and General Partner in proportion to their respective general capital accounts.

Net income or net loss is allocated each fiscal period, as defined in the Agreement, or at other times during the fiscal year when capital contributions and withdrawals are made by the Feeder or General Partner. The Feeder's percentage ownership of the Partnership will increase when the General Partner withdraws capital or decrease when the General Partner contributes additional capital. Therefore, the allocation of net income and net loss may vary, between the Feeder and the General Partner, based upon the timing of capital transactions throughout the period.

The Partnership may invest, directly or indirectly, in equity securities in initial public offerings deemed "new issues" under Rule 5130 of the Financial Industry Regulatory Authority ("FINRA") Consolidated Rulebook. "New issues" are defined as any initial public offering of an equity, regardless of whether such security is trading at a premium in the secondary market. FINRA members generally may not sell "new issues" to an account, in which certain persons or entities designated as restricted persons have beneficial interest. Gains and losses from "new issues" are allocated primarily to those investors in the Feeder who are deemed to be unrestricted by the General Partner and up to 10% can be allocated to the General Partner.

### 5. Allocation of Net Income or Net Loss (continued)

The General Partner receives an incentive allocation equal to 20% of the net profit allocated to each shareholder invested in each series of Class A, B, C, D, E, F, H, N, O, P and Q as defined in the Agreement (the "Full Incentive Allocation"). If a shareholder invested in the Feeder has a net loss during any fiscal year and, during subsequent years, there is a net profit attributable to such shareholder, the shareholder must recover an amount equal to 2.5 times the amount of the net loss chargeable in the prior years before the General Partner is entitled to the Full Incentive Allocation. Until this occurs, the shareholder invested in the Feeder will be subject to a reduced incentive allocation equal to half of the Full Incentive Allocation. The General Partner, in its sole discretion, may elect to reduce, waive or calculate differently the Full Incentive Allocation of the Feeder and its underlying investors that are partners, members, employees, affiliates or other related investors of the Investment Manager or the General Partner. For the period from January 1, 2020 through June 30, 2020, the General Partner received an incentive allocation of \$72,284. This amount has provisionally been allocated to the General Partner, however, the amount will not be fully realized until the end of the fiscal year or upon the withdrawal of a shareholder from the Feeder, and is subject to change.

### 6. Related Party Transactions

Pursuant to the investment management agreement, the Partnership pays the Investment Manager a management fee equal to 1.5% per annum of the net asset value of the Class N, O, P and Q shares of the Feeder, 2% per annum of the net asset value of the Class A, B, C, D, E, F and H shares of the Feeder, and 2.5% per annum of the net asset value of the Class J shares of the Feeder as of the beginning of each month before the accrual of any incentive fee. The Investment Manager, in its sole discretion, may elect to reduce, waive, or calculate differently the management fee with respect to partners, members, employees, affiliates or other related investors of the Investment Manager of the General Partner. The Investment Manager has granted a management fee discount of 0.25% to certain investors based on either the size or duration of their investment in the Partnership. For the period ended June 30, 2020, the management fee was \$46,093,655, of which \$199,111 was payable at June 30, 2020.

As set forth in the Agreement, certain fees including closing, directors', or break-up fees paid to the Investment Manager or its affiliates as a result of the Partnership's investments will be treated as an offset against the Partnership's management fee. For the period ended June 30, 2020, no directors' fees were treated as an offset against the management fee.

As of June 30, 2020, the Partnership did not have an outstanding balance due to the Investment Manager. In accordance with the Agreement, professional fees paid by the Investment Manager on behalf of the Partnership would be included in accrued expenses in the Statements of Financial Condition. For the period ended June 30, 2020, the Investment Manager did not pay any expenses on behalf of the Partnership.

The Partnership has entered into a limited partnership agreement, as a limited partner, with TP Lux Holdco LP ("Cayman HoldCo"), an affiliate of the Investment Manager. Cayman HoldCo was organized as a limited partnership under the laws of the Cayman Islands and will invest and hold debt and equity interests in TP Lux HoldCo S.a.r.l, a Luxembourg private limited liability company ("LuxCo"), also an affiliate of the Investment Manager. LuxCo was established under the laws of the Grand-Duchy of Luxembourg and its principle objective is to act as a collective investment vehicle through which purchases of certain European debt and equity investments will be pooled. Certain debt and equity instruments will be purchased by LuxCo and will be financed through the issuance of the debt and equity instruments purchased by Cayman HoldCo. At June 30, 2020, the fair value of the investment in Cayman Holdco was \$536,845. The Partnership made contributions of \$26,971 to Cayman Holdco during the period ended June 30, 2020. The Partnership's pro rata interest in the investments of LuxCo and the related income and expense are reflected accordingly on the accompanying Statements of

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 6. Related Party Transactions (continued)

Financial Condition and the Statements of Operations. The valuation policy with respect to these investments is the same as the Partnership's valuation policy as described in Note 2. The Partnership invests in Cayman HoldCo alongside other affiliated entities.

The Partnership holds an equity interest in TP Trading II LLC which is an affiliate of the Investment Manager. The Partnership invests in TP Trading II LLC alongside other investment funds managed by the Investment Manager. TP Trading II LLC holds equity investments of \$6,617,136 in a private health care company and \$778,422 in a private pharmaceutical company which are included in investments in securities, at fair value, in the Statements of Financial Condition. The Partnership's pro rata interest in the underlying investments are registered in the name of TP Trading II LLC and the related income and expenses are reflected in the Statements of Operations. The valuation policy with respect to this investment is further described in Note 2.

The Partnership holds an equity interest in Cloudbreak Aggregator LP, which is an affiliate of the Investment Manager. The Company invests in the Cloudbreak Aggregator LP alongside other investment funds managed by the Investment Manager. The primary purpose of this entity is to invest in Far Point LLC, the sponsor of Far Point Acquisition Corporation "FPAC". FPAC is a New York Stock Exchange listed special acquisition corporation. As of June 30, 2020, Cloudbreak Aggregator LP held \$16,156,449 million of the Partnership's investments in limited partnerships which are included in investments in securities, at fair value on the Statement of Financial Condition. The related income and expenses are reflected in the Statements of Operations. The valuation policy with respect to this investment is further described in Note 2. Cloudbreak Aggregator LP committed to purchase shares of the FPAC Class A common stock for \$9.50 per share in a private placement that will close simultaneously with the closing of the FPAC's Initial Business Combination (the "Back Stop"). The Back Stop shares to be purchased will be a number of shares equal to (A) the excess of the number of shares of Class A common stock that are redeemed from holders in connection with the FPAC's Initial Business Combination over 20,000,000, multiplied by (B) a fraction, the numerator of which is \$10.00 and the denominator of which is \$9.50. The maximum Back Stop commitment amount is \$206.8 million. Subsequent to June 30, 2020, the Back Stop commitment amount was reduced to \$28.6 million. The Partnership's maximum exposure to loss as a result of its involvement with this investment is limited to the carrying value of the investment and the commitment.

At June 30, 2020, the Partnership held seven affiliated special purpose vehicles (the "SPVs"), including TP Trading II LLC and Cloudbreak Aggregator LP discussed above, which are companies organized for the purpose of achieving certain tax, regulatory or administrative efficiencies. The Partnership's pro rata interest in the underlying assets and liabilities of the SPVs and the related income and expense are reflected accordingly on the accompanying Statements of Financial Condition, and the Statements of Operations. As of June 30, 2020, the total fair value of the SPVs was \$59,806,823. The valuation policy with respect to investments held by the SPVs is the same as the Partnership's valuation policy as described in Note 2. The Partnership invests in the SPVs alongside other affiliated entities.

Third Point Loan LLC ("Loan LLC") and Third Point Ventures LLC ("Ventures LLC"), (collectively the "Nominees"), serve as nominees of the Partnership and other affiliated investment management clients of the Investment Manager for certain investments. The Nominees have appointed the Investment Manager as their true and lawful agent and attorney. At June 30, 2020, Loan LLC held \$518,458,914 and Ventures LLC held \$356,260,734 of the Partnership's investments which are included in investments in securities in the Statements of Financial Condition. The Partnership's pro rata interest in the underlying investments registered in the name of the Nominees and the related income and expense are reflected accordingly in the accompanying Statements of Financial Condition, and the Statements of Operations. The valuation policy with respect to investments held by the Nominees is the same as the Partnership's valuation policy as described in Note 2.

## 6. Related Party Transactions (continued)

At June 30, 2020, the Partnership did not hold any shares of Third Point Investors Limited ("ListCo"), a London Stock Exchange listed entity that is managed by the Investment Manager. As part of ListCo's share buy-back program, the Partnership has the ability to purchase shares in the after-market or as part of other corporate actions. During the period ended June 30, 2020 the partnership realized losses of \$763,687 related to the share buy-back program.

The Partnership is a limited partner in Third Point Hellenic Recovery U.S. Feeder Fund, L.P. (the "Hellenic Fund"), which is an affiliate of the Investment Manager. The Hellenic Fund was formed as a limited partnership under the laws of the Cayman Islands and invests in and holds debt and equity interests in Greek and Cypriot companies. The Partnership's interest in the Hellenic Fund is highly illiquid due to the nature of underlying investments. The Partnership committed \$78,309,111 to the Hellenic Fund, of which there were no calls or distributions during the period ended June 30, 2020. The distributions received by the Partnership during the period ended June 30, 2020 were treated as a return of capital and included in net change in unrealized gain on affiliated investment funds and foreign currency translations in the Statements of Operations. As of June 30, 2020, the Partnership's remaining unfunded commitment to the Hellenic Fund was \$23,216,512. As of June 30, 2020, the estimated fair value of the investment in the Hellenic Fund was \$31,747,030. The valuation policy with respect to this investment in a limited partnership is further described in Note 2.

The Investment Manager, on behalf of the Partnership and other funds that it manages, has entered into an agreement with TCM CRE Special Situations, LLC ("TSO") in connection with TSO's management of real property, which the Partnership owns as a result of foreclosures on underlying debts held in the Partnership's ABS portfolio in the ordinary course of business. Upon the eventual disposition of the real property, the Partnership may be obligated to pay up to an additional \$810,043, provided that certain return hurdles on the real property are met. The real properties are held in SPVs as described above. The sole owner of TSO is also the indirect partial owner of Trawler Capital Management LLC ("TCM"), an SEC-registered investment adviser specializing in commercial real estate debt investments. While the beneficial owner of the Investment Manager has an ownership stake in TCM, it does not have any interests in TSO.

## 7. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk

In the normal course of its business, the Partnership trades various financial instruments and engages in various investment activities with off-balance sheet risk. These financial instruments include securities sold, not yet purchased, forwards, futures, options, swaptions, swaps and contracts for differences. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at specified future dates. Each of these financial instruments contains varying degrees of off-balance sheet risk whereby changes in the fair values of the securities underlying the financial instruments or fluctuations in interest rates and index values may exceed the amounts recognized in the Statements of Financial Condition.

Securities sold, not yet purchased are recorded as liabilities in the Statements of Financial Condition and have market risk to the extent that the Partnership, in satisfying its obligations, may have to purchase securities at a higher value than that recorded in the Statements of Financial Condition. The Partnership's investments in securities and amounts due from brokers are partially restricted until the Partnership satisfies the obligation to deliver securities sold, not yet purchased.

Forward and future contracts are a commitment to purchase or sell financial instruments, currencies or commodities at a future date at a negotiated rate. Forward and future contracts expose the Partnership to market risks to the extent that adverse changes occur to the underlying financial instruments such as currency rates or equity index fluctuations.

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## **7. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk (continued)**

Option contracts give the purchaser the right but not the obligation to purchase or sell to the option writer financial instruments, commodities or currencies within a defined time period for a specified price. The premium received by the Partnership upon writing an option contract is recorded as a liability, marked to market on a daily basis and is included in securities sold, not yet purchased in the Statements of Financial Condition. In writing an option, the Partnership bears the market risk of an unfavorable change in the financial instrument underlying the written option. Exercise of an option written by the Partnership could result in the Partnership selling or buying a financial instrument at a price different from the current fair value.

In the normal course of trading activities, the Partnership trades and holds certain fair value derivative contracts, such as written options, which constitute guarantees. The maximum payout for written put options is limited to the number of contracts written and the related strike prices and the maximum payout for written call options is contingent upon the market price of the underlying security at the date of a payout event. At June 30, 2020, the portfolio had a maximum payout amount of \$168,891,250 relating to written put equity option contracts with expiration ranging from 1 months to 2 months from the Statements of Financial Condition date. The maximum payout amount could be offset by the subsequent sale, if any, of assets obtained via the settlement of a payout event. The fair value of these written put equity options as of June 30, 2020 is \$2,128,121 and is included in securities sold, not yet purchased in the Statements of Financial Condition. Refer to note 8 for additional disclosures regarding the Partnership's collateral policy.

Swaption contracts give the Partnership the right, but not the obligation, to enter into a specified interest-rate swap within a specified period of time. The Partnership's market and counterparty credit risk is limited to the premium paid to enter into the swaption contract and fair value.

Total return swaps and total return basket swaps, contracts for differences, index swaps, and interest rate swaps that involve the exchange of cash flows between the Partnership and counterparties based on the change in market value of a particular equity, index, or interest rate on a specified notional holding. The use of these contracts exposes the Partnership to market risks equivalent to actually holding securities of the notional value but typically involve little capital commitment relative to the exposure achieved. The gains or losses of the Partnership may therefore be magnified on the capital commitment.

Credit default swaps protect the buyer against the loss of principal on one or more underlying bonds, loans, or mortgages in the event the issuer suffers a credit event. Typical credit events include failure to pay or restructuring of obligations, bankruptcy, dissolution or insolvency of the underlying issuer. The buyer of the protection pays an initial and/or a periodic premium to the seller and receives protection for the period of the contract. If there is not a credit event, as defined in the contract, the buyer receives no payments from the seller. If there is a credit event, the buyer receives a payment from the seller of protection as calculated by the contract between the two parties.

The Partnership may also enter into index and/or basket credit default swaps where the credit derivative may reference a basket of single-name credit default swaps or a broad-based index. Generally, in the event of a default on one of the underlying names, the buyer will receive a pro-rata portion of the total notional amount of the credit default index or basket contract from the seller. When the Partnership purchases single-name, index and basket credit default swaps, the Partnership is exposed to counterparty nonperformance.

Upon selling credit default swap protection, the Partnership may expose itself to the risk of loss from related credit events specified in the contract. Credit spreads of the underlying together with the period of expiration is indicative of the likelihood of a credit event under the credit default swap contract and the Partnership's risk of loss. Higher credit spreads and shorter expiration dates are indicative of a higher likelihood of a credit event resulting in the Partnership's payment to the buyer of protection. Lower credit



## 7. Financial Instruments with Off-Balance Sheet Risk or Concentrations of Credit Risk (continued)

spreads and longer expiration dates would indicate the opposite and lowers the likelihood the Partnership needs to pay the buyer of protection. At June 30, 2020, there was no cash collateral received specifically related to written credit default swaps as collateral is based on the net exposure associated with all derivative instruments subject to applicable netting agreements with counterparties and may not be specific to any individual derivative contract. The following table sets forth certain information related to the Partnership's written credit derivatives as of June 30, 2020:

	Maximum Payout/ Notional Amount (by period of expiration)			Fair Value of Written Credit Derivatives <sup>(2)</sup>		
	0-5 years	5 years or Greater Expiring Through 2047	Total Written Credit Default Swaps <sup>(1)</sup>	Asset	Liability	Net Asset/ (Liability)
<b>Credit Spreads on underlying (basis points)</b>	\$	\$	\$	\$	\$	\$
Single name (0-250)	-	7,763,672	7,763,672	213	-	213

(1) As of June 30, 2020, the Company did not hold any offsetting buy protection credit derivatives with the same underlying reference obligation.

(2) Fair value amounts of derivative contracts are shown on a gross basis prior to cash collateral or counterparty netting.

In addition to off-balance sheet risks related to specific financial instruments, the Partnership may be subject to concentration of credit risk with particular counterparties. Substantially all securities transactions of the Partnership are cleared by several major securities firms. The Partnership had substantially all such individual counterparty concentration with these brokers or their affiliates as of June 30, 2020. However, the Partnership reduces its credit risk with counterparties by entering into master netting agreements.

The Partnership's maximum exposure to credit risk associated with counterparty nonperformance on derivative contracts is limited to the net unrealized gains by counterparty inherent in such contracts which are recognized in the Statements of Financial Condition. At June 30, 2020, the Partnership's maximum counterparty credit risk exposure was \$54,318,503.

## 8. Derivative Contracts

The Partnership enters into derivative contracts to manage credit risk, interest rate risk, currency exchange risk, and other exposure risks. The Partnership uses derivatives in connection with its risk-management activities to hedge certain risks and to gain exposure to certain investments. The utilization of derivative contracts also allows for an efficient means in which to trade certain asset classes. The derivatives that the Partnership invests in are primarily swaps, forwards, futures, options, swaptions and contracts for differences. Typically, derivatives serve as a component of the Partnership's investment strategy and are utilized primarily to structure the portfolio, or individual investments, to economically match the investment objective of the Partnership. Fair values of derivatives are determined by using quoted market prices and counterparty quotes when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of underlying financial instruments.

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 8. Derivative Contracts (continued)

The following table identifies the volume and fair value amounts of derivative instruments included in derivative contracts on the Statements of Financial Condition, categorized by primary underlying risk, as of June 30, 2020. Balances are presented on a gross basis, prior to the application of the impact of counterparty netting.

		As of June 30, 2020	
	Listing currency <sup>(1)</sup>	Fair Value <sup>(2)</sup> \$	Notional Amounts <sup>(3)</sup> \$
<b>Derivative Assets by Primary Underlying Risk*</b>			
<b>Credit</b>			
Credit Default Swaps – Protection Purchased	USD	672,320	6,243,206
Credit Default Swaps – Protection Sold	USD	213	7,763,672
<b>Equity Price</b>			
Contracts for Differences – Long Contracts	EUR/GBP/USD	27,208,631	243,846,456
Contracts for Differences – Short Contracts	JPY	437,255	20,386,895
Total Return Swaps – Long Contracts	JPY/BRL/USD	15,991,741	124,361,499
Total Return Swaps – Short Contracts	JPY	682,333	57,307,479
Option Contracts – Purchased	GBP/USD	11,373,566	180,029,673
Rights and Warrants	USD	13,582,296	34,706,812
<b>Foreign Currency Exchange Rates</b>			
Foreign Currency Forward Contracts	CNH/JPY	970,727	120,819,123
<b>Index</b>			
Index Futures – Short Contracts	JPY	3,111,892	96,319,426
<b>Total Derivative Assets</b>		<b>74,030,974</b>	<b>891,784,241</b>
<b>Derivative Liabilities by Primary Underlying Risk*</b>			
<b>Credit</b>			
Credit Default Swaps – Protection Sold	USD	100,091	456,200
<b>Equity Price</b>			
Contracts for Differences – Long Contracts	EUR/GBP/USD/DKK	75,083,600	427,145,249
Contracts for Differences – Short Contracts	CHF/EUR/JPY/USD	16,867,122	122,163,570
Total Return Swaps – Long Contracts	JPY/USD	1,102,956	156,100,765
Total Return Swaps – Short Contracts	EUR/GBP/HKD/JPY/USD	40,882,057	549,324,277
Option Contracts – Sold	USD	5,103,017	244,530,250
<b>Foreign Currency Exchange Rates</b>			
Foreign Currency Forward Contracts	CHF/HKD	5,239,625	47,595,311
<b>Index</b>			
Index Future – Short Contracts	EUR	3,687,176	–
Total Return Swaps – Long Contracts	USD	283	21,324,897
<b>Interest Rates</b>			
Sovereign Futures – Short Contracts	USD	434,874	93,881,654
<b>Total Derivative Liabilities</b>		<b>148,500,801</b>	<b>1,662,522,173</b>

(1) AUD= Australian Dollar, BRL = Brazilian Real, CHF = Swiss Franc, CNH = Chinese Yuan, EUR = Euro, GBP = British Pound, HKD = Hong Kong Dollar, JPY = Japanese Yen, SAR = Saudi Arabian Riyal, SEK = Swedish Krone, USD = US Dollar

(2) The Fair Value presented above includes the fair value of Derivative Contracts as well as option contract assets of \$11,373,566 and rights and warrants of \$13,582,296 included in Investments in Securities, at fair value in the Statement of Financial Condition and option contract liabilities of \$5,103,017 included in Securities sold, not yet purchased, at fair value in the Statement of Financial Condition.

(3) The absolute notional exposure represents the Partnership's derivative activity as of June 30, 2020, which is representative of the volume of derivatives held during the period.

**8. Derivative Contracts (continued)**

The following table sets forth by major risk type the Partnership realized and unrealized gains/(losses) related to trading activities for the period ended June 30, 2020. These realized and unrealized gains/(losses) are included in the net realized and net change in unrealized gain/loss from securities, affiliated investment funds, derivative contracts and foreign currency translations on the Statements of Operations.

	Realized Gain/ (Loss) \$	Net Change in Unrealized Gain/(Loss) \$
<b>Primary Underlying Risk</b>		
<b>Commodity Price</b>		
Commodity Futures – Short Contracts	(5,806,804)	–
<b>Credit</b>		
Credit Default Swaps – Protection Purchased	(158,568)	315,029
Credit Default Swaps – Protection Sold	111,744	(111,744)
<b>Equity Price</b>		
Contracts for Differences – Long Contracts	(176,695,393)	(102,178,058)
Contracts for Differences – Short Contracts	34,388,568	2,810,697
Total Return Swaps – Long Contracts	(22,472,370)	13,512,729
Total Return Swaps – Short Contracts	107,075,946	(22,829,886)
Option contracts – Purchased	–	(5,697,541)
Option contracts – Sold	4,200,689	1,281,491
Rights and Warrants	(807,677)	(1,932,566)
<b>Index</b>		
Index Futures – Short Contracts	52,345,503	2,727,292
Option contracts – Sold	1,375,250	(1,246,385)
<b>Interest Rates</b>		
Interest Rate Swaptions	(6,682,704)	(2,992,891)
Sovereign Futures – Short Contracts	(9,395,245)	(434,874)
<b>Foreign Currency Exchange Rates</b>		
Foreign Currency Forward Contracts	5,331,377	1,645,867
Foreign Currency Options – Purchased	(3,022,275)	2,387,390
<b>Total</b>	<b>(20,211,959)</b>	<b>(112,743,450)</b>

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## **8. Derivative Contracts (continued)**

The Partnership's derivative contracts are generally subject to the International Swaps and Derivatives Association ("ISDA") Master Agreements or other similar agreements which contain provisions setting forth events of default and/or termination events ("credit-risk-related contingent features"), including but not limited to provisions setting forth maximum permissible declines in the Partnership's net asset value. Upon the occurrence of a termination event with respect to an ISDA Agreement, the Partnership's counterparty could elect to terminate the derivative contracts governed by such agreement, resulting in the realization of any net gains or losses with respect to such derivative contracts and the return of collateral held by such party. During the period ended June 30, 2020, no termination events were triggered under the ISDA Master Agreements. As of June 30, 2020, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position is \$97,267,928 for which the Partnership has posted \$326,793,398 collateral in the normal course of business. Similarly the Partnership obtains/provides collateral from/to various counterparties for OTC derivative contracts in accordance with bilateral collateral agreements. Similarly, the Partnership held collateral of \$7,098,858 in the form of cash from certain counterparties as of June 30, 2020. If the credit-risk-related contingent features underlying these instruments had been triggered as of June 30, 2020 and the Partnership had to settle these instruments immediately, no additional amounts would be required to be posted by the Partnership since the aggregate fair value of the required collateral posted exceeded the settlement amounts of open derivative contracts or in the case of cross margining relationships, the assets in the Partnership's prime brokerage accounts are sufficient to offset derivative liabilities.

The Partnership's derivatives do not qualify as hedges for financial reporting purposes and are recorded in the Statements of Financial Condition on a gross basis and not offset against any collateral pledged or received. Pursuant to the ISDA master agreements, securities lending agreements, repurchase agreements and other counterparty agreements, the Partnership and its counterparties typically have the ability to net certain payments owed to each other in specified circumstances. In addition, in the event a party to one of the ISDA master agreements, securities lending agreements, repurchase agreements or other derivatives agreements defaults, or a transaction is otherwise subject to termination, the non-defaulting party generally has the right to set off against payments owed to the defaulting party or collateral held by the non-defaulting party.

**8. Derivative Contracts (continued)**

The Partnership has elected not to offset derivative assets against liabilities subject to master netting agreements nor does it offset collateral amounts received or pledged against the fair values of the related derivative instruments. Accordingly, the Partnership presents all derivative and collateral amounts in the Statements of Financial Condition on a gross basis. As of June 30, 2020, the gross and net amounts of derivative instruments and the cash collateral applicable to derivative instruments were as follows:

Financial Assets, Derivative Assets and Collateral received by Counterparty:

<b>Derivative Contracts</b>	<b>Gross Amounts of Assets Presented in the Statement of Financial Condition<sup>(1)</sup> \$</b>	<b>Financial Instruments \$</b>	<b>Cash Collateral Received \$</b>	<b>Net Amount \$</b>
Counterparty 1	1,728,191	44,094	1,684,097	-
Counterparty 2	7,568,459	7,568,459	-	-
Counterparty 3	12,541,980	12,541,980	-	-
Counterparty 4	16,515,142	16,515,142	-	-
Counterparty 5	5,725,801	5,725,801	-	-
Counterparty 6	3,051,108	3,051,108	-	-
Counterparty 8	24	24	-	-
Counterparty 9	6,962,585	1,688,631	5,273,954	-
Counterparty 12	225,213	-	140,807	84,406
<b>Total</b>	<b>54,318,503</b>	<b>47,135,239</b>	<b>7,098,858</b>	<b>84,406</b>

# Notes to Unaudited Condensed Interim Financial Statements continued

Period ended June 30, 2020

## 8. Derivative Contracts (continued)

Financial Liabilities, Derivative Liabilities and Collateral pledged by Counterparty:

Derivative Contracts	Gross Amounts of Liabilities Presented in the Statement of Financial Condition <sup>(2)</sup> \$	Financial Instruments \$	Cash Collateral Pledged \$	Net Amount \$
Counterparty 1	44,094	44,094	-	-
Counterparty 2	29,021,622	7,568,459	21,453,163	-
Counterparty 3	49,685,418	12,541,980	37,143,438	-
Counterparty 4	23,649,130	16,515,142	7,133,988	-
Counterparty 5	14,841,377	5,725,801	9,115,576	-
Counterparty 6	4,876,861	3,051,108	1,825,753	-
Counterparty 8	20,596,034	24	20,596,010	-
Counterparty 9	1,688,631	1,688,631	-	-
<b>Total</b>	<b>144,403,167</b>	<b>47,135,239</b>	<b>97,267,928</b>	<b>-</b>
<b>Repurchase Agreements/Loaned Securities</b>				
Counterparty 4	9,735,621	9,735,621	-	-
Counterparty 10	4,054,875	4,054,875	-	-
<b>Total</b>	<b>13,790,496</b>	<b>13,790,496</b>	<b>-</b>	<b>-</b>

(1) The Gross Amounts of Assets Presented in the Statement of Financial Condition presented above includes the fair value of Derivative Contract assets as well as gross OTC option contract assets of \$5.2 million included in Investments in Securities, at fair value in the Statement of Financial Condition.

(2) The Gross Amounts of Liabilities Presented in the Statement of Financial Condition presented above includes the fair value of Derivative Contract liabilities as well as gross OTC option contract liabilities of \$1.0 million included in Securities Sold, not yet Purchased in the Statement of Financial Condition.

## 9. Indemnifications

In the normal course of business, the Partnership enters into contracts that contain a variety of indemnifications and warranties. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Thus, no amounts have been accrued related to such indemnifications. The Partnership also indemnifies the General Partner, the Investment Manager and employees from and against any loss or expense, including, without limitation any judgment, settlement, legal fees and other costs. Any expenses related to this indemnification would be reflected in administrative and professional fees in the Statements of Operations. The Partnership did not incur any expenses related to indemnifications for the period ended June 30, 2020.

## 10. Commitments

Investment fund interests purchased by the Partnership may include financing commitments obligating the Partnership to advance additional amounts on demand. At June 30, 2020, the Partnership had unfunded capital commitments of \$232.5 million, which includes commitments to Cloudbreak Aggregator LP of \$206.8 million as described in Note 6.

## 11. Financial Highlights

The following represents the ratios to average Feeder capital and total return information for the period ended June 30, 2020:

<b>Ratios to average Feeder capital:</b>	
Total expenses	1.27%
Incentive allocation	0.00%
<b>Total expenses and incentive allocation</b>	<b>1.27%</b>
<b>Net investment income</b>	<b>(0.01%)</b>

The ratios above are calculated for the Feeder taken as a whole. The computation of such ratios based on the amount of expenses, incentive allocation, and net investment income assessed to each shareholder's investment in the Feeder may vary from these ratios. The net investment income ratio does not reflect the effect of any incentive allocation.

Total return before incentive allocation	(7.23%)
Incentive allocation	(0.00%)
<b>Total return after incentive allocation</b>	<b>(7.23%)</b>

Total return is calculated for the Feeder's investment in the Partnership taken as a whole. Each shareholder's return on their investment in the Feeder may vary from these returns.

## 12. Subsequent Events

Subsequent to June 30, 2020, the Partnership received approximately \$18.3 million in capital contributions, and recorded capital withdrawal requests of approximately \$217.2 million for the quarter ended September 30, 2020. Subsequent events were evaluated by the Partnership's management until September 1, 2020, which is the date the financial statements were available to be issued.

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