CRYSTAL CAPITAL PARTNERS, LLC

ADV Part 2A: Firm Brochure

March 2025

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Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of Crystal Capital Partners, LLC ("Crystal" or "Fund Manager"). If you have any questions about the contents of this brochure, please contact Michael Hoyer, Chief Compliance Officer, at (305) 868-1500 or mhoyer@crystalcapitalpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Crystal is a registered investment advisor with the Securities and Exchange Commission ("SEC"). Registration of an investment adviser does not imply any particular level of skill or training.

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

Item 2. Material Changes

Since the annual filing of this document in March 2024, there have been no material changes.

Item 3. Table of Contents

Item 4. Advisory Business

Crystal was formed in 2007. Crystal's principal owners are The Brod Family 2012 Trust, and Strauss Family 2012 Trust.

Crystal provides nondiscretionary fund management services to certain privately placed limited liability companies and offshore investment funds (collectively, the "Funds"). Crystal also provides nondiscretionary fund management services to certain other privately placed limited liability companies and offshore investment funds (collectively, the "Master Funds"). The Master Funds operate as "master" funds in a master-feeder fund structure into which the relevant Funds will invest. The Funds and Master Funds provide registered investment advisers ("Portfolio Advisors") and their clients with the ability to create customized segregated portfolios of exposures to hedge funds and private equity funds portfolios (collectively, the "Portfolios").

Crystal, as Fund Manager on behalf of the Funds, (i) performs operational due diligence on certain Other Funds and Managers (as defined below) and (ii) makes available consolidated reporting and web-based analytical tools to Portfolio Advisors and/or investors. However, Portfolio Advisors (on behalf of their clients), or investors of self-directed Portfolios make determinations as to the suitability or appropriateness of Other Funds and Managers for any particular Portfolio. Portfolio Advisors and investors of self-directed Portfolios also shall perform any additional due diligence they deem necessary or appropriate. A Portfolio Advisor selected by their client provides exclusive advisory services and has full investment discretion with respect to such client's Portfolio, while an investor into a self-directed Portfolio assumes full discretionary investment authority with respect to such Portfolio. Crystal does not assume or accept discretionary authority over any Portfolios.

As of December 31, 2024, Crystal managed approximately US $1,012,000,000 in non-discretionary assets.

Item 5. Fees and Compensation

The Portfolios will pay annual management fees to Crystal for providing fund management services, as described in the offering documents of the Funds. Management fees range between 1% and 1.5% of assets under management depending on the type and size of the Portfolio, as more specifically described in the offering documents of the Funds.

Fees are accrued monthly and paid quarterly in arrears by an independent administrator, as further described in the offering documents for the Funds.

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

Crystal does not charge performance-based fees to the Funds. A description of the fees charged by Crystal is provided above in Item 5.

Item 7. Types of Clients

Crystal's clients are the Funds and Master Funds.

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

Investment Strategies

To achieve their objectives, Crystal will provide the Portfolio Advisors with quantitative and qualitative tools to combine different techniques and approaches aimed at achieving a return objective with a specified level of risk for each Portfolio. Portfolio Advisors have investment discretion and complete flexibility as to the instruments and markets in which their clients can invest and the investment techniques they can use in relation to the investment strategy of each Portfolio.

Set forth below are brief descriptions of certain investment strategies and instruments by means of which Portfolio Advisors will seek to achieve their investment objectives for their clients. The investment strategies and investments discussed below are not exclusive to other strategies and instruments the Funds can offer. There are no assurances that the Portfolio Advisors will implement any or all such strategies at any given time. Investing in securities involves risk of loss that Fund investors should be prepared to bear. Further, the Funds and Master Funds are subject to all the risks to which the Other Funds and Managers are subject. Please refer to the Funds' offering documents for a more detailed discussion of investment strategies and related risks.

Investments in Other Funds. The majority of the Funds' investments are expected, but not required, to be made through discretionary accounts managed by other money managers and other funds ("Other Funds and Managers"). Accordingly, the Funds, through its investment in the respective Master Funds, can invest in U.S. or offshore unit investment trusts, open-ended and closed-ended mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, exchange traded funds ("ETFs") or other private investment funds. These funds will charge their own management and other fees, so that if the Funds invest in them, relevant investors will bear an additional level of fees and expenses. Crystal and the Funds will have no power to control the management of these funds, including investments, valuation, brokerage policies, and conflicts of interest, etc. Also, U.S. mutual funds generally must distribute all gains, including to investors who cannot have an economic gain, which can lead to negative tax effects on investors, particularly non-U.S. persons. The Funds can also invest in unit investment trusts or other similar vehicles designed to track the performance of a specific index or sector. As the transfer or redemption of interests in many Other Funds and Managers can be restricted or permissible only at specific and limited times or subject to the satisfaction of certain conditions, such investments are likely to be less liquid than, for example, investments in exchange-traded securities.

Other Funds and Managers can invest and trade in a wide range of securities and markets and can pursue a variety of investment strategies. The descriptions below are some of the strategies that the Other Funds and Managers can employ and are for illustrative purposes only. Numerous private equity and hedge funds invest across multiple strategy categories that are not easily classified by a simple description. Please refer to the Funds' offering documents for more detailed information on strategies.

- Equity Long/Short Strategies. This strategy involves creating and managing long and short portfolios of common stock with the intent of generating non-market related returns, with an emphasis on Other Funds and Managers' discretionary approach based on fundamental research, rather than a pure quantitative analysis approach. These types of portfolios usually have net long or short exposure significantly different than zero, distinguishing them from equity hedging and arbitrage strategies. It is expected that the Other Funds and Managers will employ a wide range of styles. For example, Other Funds and Managers can (i) focus on companies within specific industries; (ii) focus on companies only in certain countries or regions; or (iii) employ a more diversified approach, allocating assets to opportunities across investing styles, industry sectors and geographic regions.

- Fixed Income. Fixed income funds primarily invest in bonds, loans, and other structured financing transactions. These funds can be long and short throughout their entire capital structure spectrum.

- Event Driven and Special Situation Strategies. These strategies typically include risk arbitrage or merger arbitrage. Funds utilizing these strategies generally take a long position in the stock of a company being acquired in a merger or takeover and a simultaneous short position in the stock of the acquiring company. Risk is often, but not guaranteed to be, reduced by avoiding hostile takeovers and by investing only in deals that are announced. When utilizing an event-driven strategy, the Other Funds and Managers can seek to take advantage of special situations with a significant position in the equity of a firm. Many of these investments cross over into distressed securities investments and risk arbitrage. However, Other Funds and Managers can tend to focus on new or under-followed areas of opportunity such as emerging market debt and depressed stock or corporate events such as impending mergers/acquisitions, reorganizations, spin-offs, recapitalizations, or emerging bad news that can temporarily devalue security prices. These investments can include investments in closed-end funds (and associated rights offerings). Leverage is not typically employed, but the nature of the investments made involves greater volatility than the other event driven strategies.

- Merger Arbitrage. Merger arbitrageurs seek to capture the price spread between current market prices and the value of securities upon successful completion of a takeover or merger transaction. The availability of spreads reflects the unwillingness of other market participants to take on transaction-based risk, that is, the risk that the transaction will not be completed and the price of the company being acquired will fall. Merger arbitrageurs evaluate this risk and seek to create portfolios that reduce specific event risk.

- High Yield, Credit and/or Distressed Investment Strategies. This flexible investment strategy is intended to enable Other Funds and Managers to capture investment opportunities as they arise across the capital structure through the purchase or sale of senior secured bank debt, second lien, high yield debt, trade claims, credit derivatives, preferred stock, equity and other similar instruments. While Other Funds and Managers can invest in investment grade debt, it can focus on companies in sectors before, during and after a distressed cycle and other undervalued securities with near-term catalysts. The securities of these companies often trade off their intrinsic value due to macro-economic shifts, structural industry transformations, general corporate events or the distressed cycle itself. These events most often cause or prolong inefficiencies in the valuations of the affected companies and their securities and form the basis for investments in the portfolio. A "distressed investing" strategy is primarily a long-only strategy focused on the debt securities of companies in the periods before, during and after bankruptcy. This strategy can include debtor-in-possession ("DIP") and similar loans extended to a company in Chapter 11 bankruptcy or other restructuring, commercial mortgages (including "loan to own" positions) and various CDOs and CLOs and other asset backed securities (including commercial and residential mortgage-backed securities).

- Multi-Strategy. This strategy involves investing across a range of strategies. Other Funds and Managers that employ a multi-strategy tend to be more opportunistic in targeting specific relative value strategies during differing market environments. In addition, these Other Funds and Managers can have exposures that have traditionally been described as being within the event driven sector, such as merger arbitrage, high yield/distressed securities and other special situations.

- Quantitative. Quantitative funds invest based on numeric analysis and often rely heavily on computer models and algorithms. They can invest in a variety of asset classes and security types, including derivatives.

- Global Macro. These funds typically invest through long and short positions in any market globally as opportunities emerge, mainly relying on a macro-economic assessment of markets, trends and events. Assessment can be supported by sophisticated macro-economic models, but investment decisions ultimately rely on the judgment of the Other Funds and Managers. Global macro funds also invest in numerous asset classes, many times on the basis of relative value analysis.

- Regional and Emerging Markets. Specialist funds typically invest in a specific country, including emerging markets, and generally include financial securities from institutions which are domiciled in countries outside of G-10 countries. These securities can be from corporations or from the countries themselves (i.e., sovereign debt securities).

- Relative Value Strategies. Relative value strategies seek to profit from the mispricing of financial instruments, capturing spreads between related securities that deviate from their fair value or historical norms. Directional and market exposure is generally held to a minimum or completely hedged. Sophisticated mathematical and statistical techniques and models are used to attempt to identify relative value between related instruments or combinations of instruments. Other Funds and Managers pursuing arbitrage strategies utilize a variety of techniques and models, ranging from purely quantitative, short-term models to more discretionary approaches using fundamental research to construct long and short portfolios. Strategies that can be utilized in the relative value sector include convertible arbitrage, equity arbitrage, and fixed-income arbitrage, each of which is described in greater detail below.

- Convertible Arbitrage. This strategy involves investing in undervalued instruments that are convertible into equity securities and then hedging out systematic risks associated with either the convertible instrument, the underlying security or both. Convertible bond arbitrage strategies consist of buying convertible bonds and shorting an appropriate number of interests of the issuer's common stock. The stock short sale is intended to hedge the stock price risk arising from the equity conversion feature of the convertible bond. Due to the bond features of convertibles, credit and interest rate risk can also be hedged.

- Equity Arbitrage. Equity arbitrage strategies try to avoid market direction influences and seek to generate returns primarily from stock selection. These strategies generally involve creating simultaneously long and short matched equity portfolios of equity securities that the Other Funds and Managers determine are mispriced relative to each other, typically with similar characteristics. Portfolios are generally designed to exhibit zero or low beta (a measure of an equity security's volatility relative to the equity market) or currency neutral, or both. Equity portfolios typically control industry, sector, market capitalization, and other exposures as well, and leverage is often applied to enhance returns.

- Fixed-Income Arbitrage. Fixed-income arbitrage strategies seek to exploit pricing anomalies that might exist across fixed-income securities and their related derivatives, often using leverage to enhance returns. Although some fixed-income strategies are based on macroeconomic considerations, the strategies are primarily quantitative in nature, and financial modeling is an integral component. Opportunities in fixed-income instruments or baskets of securities are found when securities deviate from historical relationships or fair value as determined by the Other Funds and Managers. These relationships can be temporarily distorted by exogenous shocks to fixed-income supply and demand or by structural changes in the fixed-income market.

- Currency Arbitrage. This strategy seeks to capture the price differential between a basket currency and its component currencies.

- Index Arbitrage. This strategy involves investing in a group of securities comprising an index, or a representative sample of an index, to capture the pricing differences that can arise between the index and the component securities.

- Interest Rate Arbitrage. This strategy seeks to exploit price anomalies between related securities with prices that fluctuate in response to interest rate movements.

- Statistical Long/Short Equity. This strategy involves constructing portfolios of offsetting long and short equity positions using mathematical or statistical techniques to identify relative value between long and short positions.

- Pairs Trading. This is a specific type of equity hedging strategy that involves effecting offsetting long and short equity positions in the same industry or sector.

- Tactical Trading Strategies. Tactical trading strategies are directional trading strategies that generally fall into one of the following two categories: managed futures strategies and global macro strategies. Managed futures strategies involve trading in futures and currencies globally, generally using systematic or discretionary approaches based on identified trends. In formulating these strategies, Other Funds and Managers generally use quantitative models or discretionary inputs to speculate on the direction of individual markets or subsectors of markets. Global macro strategies generally utilize analysis of macroeconomic and financial conditions to develop views on country, regional or broader economic themes and then seek to capitalize on such views by trading in securities, commodities, interest rates, currencies and other instruments.

  Other Funds and Managers utilizing these strategies can invest in futures contracts, forward contracts, commodities, options on futures and on commodities and other derivative contracts on foreign currencies, financial instruments, stock indexes and other financial market indexes, metals, grains and agricultural products, petroleum and petroleum products, livestock and meats, oil seeds, tropical products and softs (such as sugar, cocoa, coffee and cotton). Other Funds and Managers can also engage in the speculative trading of securities, including, but not limited to, equity and debt securities (including, without limitation, high yield securities and emerging market securities), and other securities. Speculative trading of securities can be performed on a cash basis or using options or other derivative instruments. Certain Other Funds and Managers can utilize other investment media, such as swaps and other similar instruments and transactions. All speculative trading on behalf of the Other Funds and Managers will be conducted at the direction of the investment managers. Other Funds and Managers will generally trade on commodities and securities exchanges worldwide as well as in the interbank foreign currency forward market and various other over-the-counter markets.

- Real Estate. Real estate strategies consist generally of investing in Other Funds and Managers that are: (a) registered investment companies or managers that invest in real estate investment trusts (commonly known as "REITs") and (b) private partnerships that make direct investments in (i) existing or newly constructed income-producing properties, including office, industrial, retail, and multi-family residential properties, (ii) raw land, which can be held for development or for the purpose of appreciation or (iii) conventional mortgage loans, participating mortgage loans, common or preferred stock of companies whose operations involve real estate (*i.e.*, that primarily own or manage real estate), and collateralized mortgage obligations ("CMOs"). The investment can be in the U.S. or foreign real estate or real estate-related investments. Some of the investments can be in "emerging markets" that can offer significant opportunities for capital appreciation and income, but also carry significant risks.

  Other Funds and Managers that are private partnerships that invest in real estate typically offer the opportunity to generate attractive returns, but without the liquidity offered by

REITs. These Other Funds and Managers will invest in established properties with existing rent and expense schedules or in newly constructed properties with predictable cash flows or in which a seller agrees to provide certain minimum income levels. The Other Funds and Managers can invest in raw land, which can be acquired for appreciation or development purposes. These Other Funds and Managers often do not provide their investors with the right to redeem their investment, thus the investors only gain liquidity in their investment though the distribution of rental income and the ultimate liquidation or sale of real estate assets held by the Other Funds and Managers.

- Other Investment Techniques and Opportunistic Investments. The investment programs of any of the Other Funds and Managers can also involve use of a variety of sophisticated investment techniques, for both hedging and non-hedging purposes, including short sales of securities; arbitrage; use of leverage (i.e., borrowing money for investment purposes); and transactions in derivative securities, commodities, and other Securities. These techniques can, in some cases, be an integral part of the Other Funds and Managers' investment programs and involve significant risks.

- Private Equity. Private equity is a common term for investments that are typically made in non-public companies through privately negotiated transactions. Private equity investors generally seek to acquire quality assets at attractive valuations and use operational expertise (or influence on management) to enhance value and improve portfolio company performance. "Buyout" investors acquire private and public companies, as well as divisions of larger companies. Private equity specialists generally seek to uncover value enhancing opportunities in portfolio companies, unlock the value of the portfolio company and reposition it for sale at a multiple of invested equity.

  Private equity investments are typically made in non-public companies through privately negotiated transactions. Private equity investments can be structured using a range of financial instruments, generally including common and preferred equity, convertible securities, subordinated debt and warrants or other derivatives.

  Private equity direct investments are usually realized, or "exited" after a three to seven year holding period through a private sale, an initial public offering (IPO) or a recapitalization. Proceeds of such exits are then distributed to investors. Due to the holding period, investors generally have no right to redeem all or part of their investment, transfer their investment and pledge or otherwise encumber their investments in a private equity fund. Thus, it is unlikely that an investor will be able to liquidate its private equity investments in the event of an unanticipated need for cash. In addition, investments generally cannot be transferred or pledged except in compliance with significant restrictions on transfer as required by federal and state securities and commodities laws and as provided in investment contracts. These limitations, taken together, will significantly limit an investor's ability to liquidate an investment in private equity quickly. As a result, such an investment would not be suitable for an investor who needs liquidity.

While the foregoing description of various investment strategies reflect its current intentions with respect to current market conditions, the Fund Manager can vary those objectives and strategies to the extent it determines that doing so will be in the best interests of the Fund and the Fund's investors; provided that Portfolio Advisors and their clients, as well as self-directed investors, have ultimate discretion as to the composition of their Portfolios.

These strategies and/or asset classes do not include all strategies and/or asset classes that can be utilized by such Other Funds and Managers, regardless of the principal investment strategies attributable to such Other Funds and Managers. Other Funds and Managers generally are not limited in the markets (either by location or type, such as large capitalization, small capitalization or foreign markets) in which they invest or the investment discipline that they can employ (such as value or growth or bottom-up or top-down analysis). Notwithstanding the Master Fund's effort to diversify its assets and strategies, there will be some duplication of these strategies and/or asset classes as a result of the underlying investments and side or undisclosed strategies of the Other Funds and Managers, which can ultimately change the net percentage exposure of the Master Fund to its desired strategies and/or asset classes. Please refer to the Other Funds and Managers' publicly available regulatory filings for more detailed information on their strategies.

While the foregoing description of the various investment strategies reflects its current intentions with respect to current market conditions, Crystal and/or an applicable Portfolio Advisor or investor into a self-directed Portfolio can vary those objectives and strategies to the extent it determines that doing so will be in the best interests of the relevant Funds, Portfolios or investors, respectively.

Risk Factors

The value of interests in the Funds can fluctuate upwards as well as downwards and investors may not get back the amount originally invested. Accordingly, an investment in the Funds should only be made by persons who are able to bear the risk of substantial or even total loss of the capital invested. The Funds' performance can be affected by legal, regulatory and tax requirements in the countries in which they invest.

Set forth below are certain factors which should be taken into consideration before making a decision to subscribe for interests in the Funds. While Crystal believes the following to be comprehensive, it is not intended to include all of the factors relating to the risks that can be encountered. These risks should also be read to apply to the Portfolios, Master Funds, Other Funds and Managers and Portfolio Advisors, as applicable.

Certain Risks of Other Funds and Managers

Since the Funds currently intend, but are not required, to invest substantially all of their assets in Other Funds and Managers through the applicable Master Funds, certain risks accompany such a "fund of funds" approach to investing.

Lack of Diversification. While use of a manager of managers' approach can provide some diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, it will increase, rather than reduce, potential net profits. The Funds can invest a substantial portion of its assets with a limited number of Other Funds and Managers, which can result in minimal diversification. Also, the use of the fund of funds approach can cause the Funds indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment. The diversification that can be afforded by the fund of funds approach cannot insulate investors against major disruptions or turmoil in the global financial markets generally, which could result in some or all of the Other Funds and Managers suffering substantial losses simultaneously.

Certain Other Funds and Managers Not Registered. Certain Other Funds and Managers invested in by the Funds will not be registered, as applicable, under either the Investment Company Act of 1940 (the "Investment Company Act") or the Investment Advisers Act of 1940 (the "Advisers Act") (or any other similar laws). The foregoing acts provide certain protections to investors and impose certain restrictions on registered investment companies and registered investment advisers, which would not be applicable to any Other Funds and Managers that are not registered under one or both of those laws but that are invested into by the Funds.

Lack of Operating Histories. Some of the Other Funds and Managers can also be recently organized and have no operating histories upon which the Funds can evaluate their possible performance.

Indirect Exposure to Leverage (i.e. margin). Regardless of whether the Funds utilize leverage, investors can indirectly be exposed to the use of leverage through the Funds' investments in Other Funds and Managers. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by certain Other Funds and Managers. In as much as its Other Funds and Managers are likely to employ a very high degree of leverage in their investment operations, the Funds and their investors will be subject to substantial risk of loss. With volatile instruments, downward price swings can result in margin calls that could require liquidation of investments at inopportune times.

Lack of Diversification in Other Funds and Managers. Some of the Other Funds and Managers that the Funds can invest in can concentrate their investments in only a few securities, industries or countries. Accordingly, concentration by the Funds' individually owned Other Funds and Managers, if any, can cause a proportionately greater loss than if such Other Funds and Managers' investments had been spread over a larger number of investments.

Proprietary Investment Strategies of Other Funds and Managers. Certain Other Funds and Managers can use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Crystal. These strategies can involve risks under some market conditions that are not anticipated by Crystal or the Other Funds and Managers. Certain Other Funds and Managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. The investment niche, arbitrage opportunity or market inefficiency employed by such Other Funds and Managers can become less profitable over time as such Other Funds and Managers and competing asset managers or investors manage a larger group of assets in the same or similar manner or market conditions change. The strategies employed by Other Funds and Managers can involve significantly more risk and higher transaction costs than more traditional investment methods. It is possible that the performance of Other Funds and Managers can be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to the Funds and its investors.

Access to Information. If invested in any Other Funds and Managers, the Funds can receive periodic reports at the same time as, and containing the same information provided to, any other investor in such Other Funds and Managers. Crystal can make requests for additional, more detailed information from such Other Funds and Managers, but there can be no assurance that any such additional information will be provided. In addition, information received by the Funds with respect to such Other Funds and Managers can be subject to confidentiality restrictions. This potential lack of access to information can make it more difficult for Crystal, a Portfolio Advisor or the investor, as applicable, to select, allocate among and evaluate such Other Funds and Managers. Such lack of access can also impact Crystal's ability to value the Fund's assets.

Investment Program. The past investment performance of the Other Funds and Managers with which the Funds can invest its assets cannot be construed as an indication of the future results of an investment in the Funds. The Funds' investment program should be evaluated on the basis that there can be no assurance that assessments by Crystal, a Portfolio Advisor or an investor into a self-directed Portfolio, to the extent applicable, of the Other Funds and Managers, and in turn their assessments of the short-term or long- term prospects of investment, will prove accurate or that the Funds will achieve its investment objective.

Inability to Invest in Other Funds and Managers. Because the Funds may make additional investments, if any, in Other Funds and Managers only at certain times according to limitations set out in the governing documents of Other Funds and Managers, the Funds from time to time may be unable to make additional investments in such Other Funds and Managers or may have to invest some of its assets temporarily in cash or cash equivalents until the opportunity for such additional investment becomes available. During this time that the Funds' assets are not invested in Other Funds and Managers, that portion of the Funds' assets will not be used to pursue the Funds' investment objectives related to investing in such Other Funds and Managers.

Illiquid Investments. The ability of the Funds to redeem all or part of their investment from Other Funds and Managers is generally limited to a quarterly, semi-annual or annual (or longer) basis depending upon the investment, and can be subject to lock-ups and additional restrictions (including possible redemption fees) imposed by the investment managers of such Other Funds and Managers. The Funds can be unable to make redemption payments to investors to the extent it has invested in such Other Funds and Managers that do not permit redemptions, will not honor the Funds' redemption requests or that have invested in or distributed to the Funds a side pocket or illiquid investment. In such event, in the sole and absolute discretion of Crystal, payment to such redeeming investor of the portion of the investor's requested redemption attributable to such side pocket or illiquid investment will be delayed until such time as such Other Funds and Managers, or the Funds, disposes of such side pocket or illiquid investment. In order to make redemption payments to investors, the Funds can be required to liquidate all or a portion of its investment in such Other Funds and Managers at a time when it can be subject to a redemption fee or penalty or at a time when it might not otherwise wish to effectuate such liquidation.

Availability of Investment Opportunities in Other Funds and Managers. The business of identifying and structuring investments of the types contemplated by the Funds is competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to various factors, including, but not limited to, the investment strategies of the Other Funds and Managers available, the timing of the Other Funds and Managers' subscription and redemption activities relative to those of the Funds, liquidity concerns, as well as market conditions and the prevailing regulatory or political climate. However, the Fund Manager will always seek to act in good faith and make allocations fairly, given the relevant circumstances. No assurance can be given that the Funds will be able to identify and complete attractive investments in the future or that it will be able to invest fully its subscriptions. Similarly, identification of attractive investment opportunities by Other Funds and Managers is difficult and involves a high degree of uncertainty. Even if an attractive investment opportunity is identified, Other Funds and Managers may not be permitted to take advantage of the opportunity to the fullest extent desired. Other vehicles sponsored, managed or advised by the Fund Manager and its affiliates can seek investment opportunities similar to those the Funds may be seeking, and none of these parties has an obligation to offer any opportunities it may identify to the Funds.

In-Kind Distributions by Other Funds or Managers. Other Funds or Managers may be permitted to distribute securities in-kind to the Funds. The Funds expect that in the event of an in-kind distribution, it will typically receive securities that are illiquid or difficult to value. The Funds may either: 1. distribute such securities in-kind; or 2. hold these illiquid securities until such time it is able to dispose of them in a manner it believes is in the best interest of the Funds. However, the Fund Manager may not be able to dispose of these securities at favorable prices, or at all, which would have an adverse effect on the Funds' performance, or at favorable times, which may adversely affect the Funds' ability to make other investments.

Lack of Management Control by Investors and by Crystal as Fund Manager. Crystal as fund manager will generally have no right to participate in the management, control or operation of Other Funds and Managers that are private investment vehicles or to remove their respective managers.

Multiple Levels of Expense. To the extent that the Funds invest in Other Funds and Managers, the Funds will bear additional costs and expenses in addition to the Funds' own expenses, management Fee, and performance allocation or performance fee (if applicable). Such Other Funds and Managers will charge their own advisory fees (which can include both management fees and performance fees) and expenses. A specific Other Fund and Manager will receive any performance fees to which it is entitled irrespective of the performance of any of the Other Funds and Managers generally. Accordingly, a specific Other Fund and Manager with positive performance can receive compensation from the Funds even if the Funds' overall returns negative. As a result of all of the foregoing, the Funds, and indirectly investors in a given Portfolio, will bear multiple levels of expenses, which, in the aggregate, will exceed the expenses that would typically be incurred by direct investment with Other Funds and Managers.

Certain Valuation Risks of Other Funds and Managers. For purposes of determining the value of the Funds' interests in Other Funds and Managers, the Funds' administrator utilizes the valuations provided by such Other Funds and Managers. The Funds' administrator is incapable and is not required to perform any independent valuation of such assets. The valuations provided by Other Funds and Managers to the Funds will be conclusive unless the Funds' administrator and/or Funds have a clearly discernible reason not to trust the accuracy of such valuations. In addition, the net asset values or other valuation information received by the Funds' administrator from Other Funds and Managers will typically be estimates only and subject to revision through the end of the Other Funds and Managers' annual audit. Revisions to the gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figures of Other Funds and Managers can be considered final until the annual audits of the Other Funds and Managers are completed. Investors should be aware that situations involving delays, uncertainties, or mistakes as to the valuation of portfolio positions by Other Funds and Managers could have an adverse effect on the Funds' valuation. Some of the Other Funds and Managers do not provide valuations over extended periods of time, if ever. If the Funds do not receive valuations from such Other Funds and Managers, the Funds' administrator will fairly value its investment in such Other Funds and Managers, which can result in a conclusion that fair value equals cost or the most recent valuations provided by such Other Funds and Managers as a result of incomplete information.

Investments in Passive Foreign Investment Companies. To the extent any of the Other Funds and Managers are, or invest in stock of non-U.S. corporations that are, classified as passive foreign investment companies ("PFICs"), U.S. investors will be subject to special rules with respect to the Funds' or its Other Funds and Managers' interest in such PFICs. In this regard, gain (but not loss) recognized upon the sale, exchange or redemption of an equity interest in a PFIC would be treated as ordinary income, and, in addition, a portion of the distributions received with respect to such equity interest could, and any gain realized from the sale, exchange or redemption of such interest would, be subject to the tax imposed on excess distributions under the PFIC provisions of the Internal Revenue Code of 1986, as amended (the "Code").

Investing in Master-Feeder Structures. A "master-feeder structure" consists of one or more funds ("feeder funds") that invest substantially all of their assets into a master fund (a "master fund"), which is a vehicle utilized to pool assets of multiple feeder funds in order to attempt to optimize each feeder fund's portfolio. The Funds and their respective Master Funds are master-feeder structures and also can invest in Other Funds and Managers that utilize master-feeder structures. Therefore, any interest of the Funds in the assets of a master fund is indirectly an interest in a feeder fund.

Feeder funds and master funds bear additional costs and expenses. As a result, the Funds, and indirectly investors in the Funds, when investing in a master-feeder structure, will bear multiple levels of expense, which in the aggregate will exceed the expenses which would typically be incurred by an investment with a single investment pool. However, the Funds will only be charged one management fee and performance fee, if applicable, when investing in a master-feeder structure, which will occur at the feeder fund level and not at the master fund level. However, investors will be exposed to management fees and performance fees or performance allocations at both the Funds and, indirectly, feeder fund levels of such Other Funds and Managers.

Other investors in a master fund can be much bigger than the feeder fund in which the Funds will invest, and alone or collectively can acquire sufficient voting interests at such master fund's level to control matters relating to the operation of such master fund, or can redeem from such master fund, which can result in a less diversified portfolio of investments and could indirectly adversely affect the liquidity and performance of the Funds' investment in the feeder fund. Additionally, other investors in a master fund can have competing interests with the feeder fund in which the Funds can invest.

There is no assurance that the Funds' indirect interest in a master fund by investing in a feeder fund will result in the same performance to that which would have been achieved without the use of a master-feeder structure.

Any interest in a master fund is illiquid and cannot be freely transferable, which can affect the feeder fund, and ultimately, the Funds.

The foregoing master-feeder risks should be read equally as applicable to the Funds' own investment in their respective Master Fund (i.e. the Fund's master-feeder structure) in addition to the Funds' investment in third party master-feeder structures of the Other Funds and Managers.

Other Business Risks

Speculative Nature of the Funds' Investment Program. Prospective investors should be aware that each investment program is speculative and involves a high degree of risk. The investment strategies utilized by the Funds cannot provide any assurance that one or more of the Portfolios will not be exposed to risks of significant investment and trading losses.

The performance of the Portfolios will depend on the efforts of the Other Funds and Managers selected by the Portfolio Advisor or an investor into a self-directed Portfolio. The return of any one of the Other Funds and Managers is impacted by the ability of such Other Funds and Managers to successfully apply its investments techniques to generate profits for such fund. The volatility of the Funds will depend on the nature of the Funds' exposure to investments. There can be no assurance that the Funds, the Portfolios or their respective investors will achieve their objectives or avoid substantial losses.

Not a Complete Investment Program. The Funds can be deemed a speculative investment and are not intended as complete investment programs. The Funds are designed for qualified purchaser investors who are able to bear the risk of loss of their entire investment in the Funds.

Securities Risks in General. The Funds will be investing for the most part, in securities (including the Other Funds and Managers) which generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. Furthermore, the Funds are not subject to a specific percentage limit on any particular industry or issuer. Some of these issues can have small capitalizations, limited operating histories, limited following from Wall Street brokerage firms and can be vulnerable to competition from much larger companies. In addition, trading in small issues can be difficult due to liquidity issues.

General Economic and Market Conditions. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances. These factors can affect the level and volatility of securities prices and the liquidity of the Funds' investments.

Overconcentration/Lack of Diversification. Portfolios can be constructed in a manner which results in a high concentration in certain strategies, positions or Other Funds and Managers.

Portfolios that are less diversified typically result in more rapid change in value than would be the case if the class were required to maintain a wide diversification among strategies, positions or Other Funds and Managers. Crystal and the Funds do not encourage highly concentrated Portfolios but it is the responsibility of the Portfolio Advisor or an investor into a self-directed Portfolio, as applicable, to continually monitor and determine if the Portfolio in the Fund is appropriate within the overall context of the investor's portfolio and given the risk tolerance of the investor. Also, the use of the fund of funds approach can cause a Portfolio indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment. The diversification that can be afforded by the fund of funds approach cannot insulate investors against major disruptions or turmoil in the global financial markets generally, which could result in some or all of the underlying investment vehicles suffering substantial losses simultaneously.

Exposures. The Master Funds separate their assets into segregated portfolios, also known as "Exposures," which are targeted by the respective Portfolios of the Funds. The objective of each Exposure is to target typically one of the Other Funds and Managers. Due to the nature of the construction of the Exposures, the performance of the Exposures created by Crystal in the Master Fund will vary from that of the intended target. Some of these differences will be temporary in nature and others can be permanent. Crystal will make best efforts to replicate the returns and liquidity of the intended target but there are no assurances that it will be successful and the differences could be material. While Crystal will attempt to align the liquidity within the Exposure, redemptions by other investors within the Exposures could negatively impact the overall liquidity and performance of the Exposure. In addition, the availability of Exposures can be limited and the Funds have the right to liquidate the Exposures without prior notice to investors.

Restricted Securities; Lack of Liquidity. Interests in the Funds are restricted securities, and are subject to substantial restrictions on transferability. In addition, the Funds do not anticipate a secondary market for the interests and, consequently, holders of interests would not be able to dispose their interests, except as disclosed in the redemption terms for their Portfolio. Certain notice periods and requirements must be met before investors can redeem their interests. The risk of any decline in the capital account values during the period from the date of notice of redemption until the redemption date will be borne by the holders of the interests requesting redemption. The Funds have the power to suspend redemptions of a certain Portfolio or to compulsorily redeem at its discretion in certain circumstances. To the extent the Funds elect, in their sole discretion, to utilize an accelerated redemption date with respect an investor's redemption request and/or accelerated Portfolio sale, the length of such investor's anticipated economic exposure to one or more Portfolios and/or Exposures subsequent to such redemption request and/or Portfolio sale can be materially shortened, which could preempt such investor from participating in gains (or losses) related and subsequent to such accelerated redemption date and leave the investor with fewer Exposures.

Furthermore, accelerated redemption dates can benefit other investors, including Crystal affiliates, employees, and related parties, seeking to gain economic interest in the Exposures of certain Portfolios that have limited capacity, which can pose certain conflicts of interest.

The Funds could also be unable to make redemption payments to investors of a certain Portfolio to the extent it has invested with Other Funds and Managers or other securities that do not permit redemptions, will not honor the Funds' redemption requests or that has invested in or distributed to the Funds an asset which is not readily marketable. In such event, in the sole and absolute discretion of the Funds, payment to such redeeming investor of the portion of his requested redemption attributable to such illiquid asset will be delayed until such time as the Other Funds and Manager in which the Funds have invested, or the Funds themselves, dispose of such illiquid asset.

Swaps. The Funds can enter into swap agreements with bona fide counterparties or other funds, including related Funds. The swap agreements can be entered into directly by a Fund, a Portfolio or through a Master Fund, at the discretion of Crystal. These swaps are contracts to buy, sell or exchange a portion of the profits or losses of an investment owned by another party. Accordingly, the Funds and certain Portfolios can have investment risk exposure not only with respect to its assets, but also as to certain assets owned by others to the extent the Funds and Portfolios participate in swaps.

Leverage. The Other Funds and Managers can utilize leverage. The use of leverage increases the potential for return or loss and increases the volatility of the Portfolios. Leverage can be obtained in many formats, including buying and selling securities on margin, borrowing funds, investing in options, futures and warrants, engaging in short sales and otherwise utilizing leverage. There is no self-imposed limit on the amount of leverage that Other Funds and Managers can borrow.

Counterparty Risk. Financial Difficulties of Institutions and Custodians. Some of the instruments in which the Funds' assets can be invested can be traded in markets in which performance will be the responsibility only of the individual counterparty and not of an exchange or clearinghouse. In these cases, the assets will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

There is the possibility that institutions, including brokerage firms and banks with whom the Funds or Other Funds and Managers do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that can impair the operational capabilities or the capital position of the fund or account managed by the Funds or Other Funds and Managers.

Performance-based Compensation. Performance allocations (or performance fees) can be applicable to certain legacy Portfolios of the Funds or to classes within such Portfolios. This fee structure can create an incentive to make investments that are riskier or more speculative.

Length of Operations. There can be no assurance that the Funds or the Other Funds and Managers will achieve their investment objectives. The past investment performance of the Funds, Other Funds and Managers, and/or Crystal and its principals or entities with which they have been associated cannot be construed as an indication of the future results of an investment in the Funds. The Funds' investment program should be evaluated on the basis that there can be no assurance that the short-term or long-term prospects of investments will prove accurate.

Cayman Islands Residence. The offshore Funds and Master Funds are organized and have their principal business office in the Cayman Islands. The books and records of the offshore Funds and Master Funds will be maintained in the Cayman Islands and will not generally be available for inspection by investors except at such Funds' or Master Funds' office in the Cayman Islands. The Cayman Islands organization and residence of the offshore Funds can make it more difficult for investors to enforce their legal rights than if such Funds were organized and resident in a major capital market country such as the United States. It is unlikely that the Cayman Islands courts would accept jurisdiction over claims based on the violation of the securities laws of the United States or other countries. Therefore, it can be difficult for an investor to enforce his rights under his home country's investor protection laws against the offshore Funds. The offshore Funds will also incur U.S. withholding taxes and other costs which would not be applicable with respect to U.S. investors if such Funds were organized and had their principal place of business in the United States.

Absence of Regulatory Oversight. The Funds have not been registered under the U.S. Securities Act in reliance on the exemptive provisions of Section 4(a)(2) of the U.S. Securities Act and Regulation D promulgated thereunder. Similar reliance has been placed on apparently available exemptions from securities qualification requirements under applicable state securities laws. No assurance can be given that the offering currently qualifies or will continue to qualify under one or more of such provisions due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or the retroactive change of any securities law or regulation. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register this offering or other offerings or for acts or omissions constituting offenses under the U.S. Securities Act, the U.S. Securities Exchange Act of 1934 or applicable state securities laws, the Funds could be materially and adversely affected, jeopardizing the ability of the Funds to operate successfully. Furthermore, the human and capital resources of the Funds and Crystal could be adversely affected by the need to defend actions under these laws, even if the Funds are ultimately successful in its defense.

During any period of time in which any Portfolio of the Funds would be an "investment company" within the meaning of Section 3(a) of the Investment Company Act, each Portfolio currently intends to rely on the exceptions afforded by either Sections 3(c)(1) or 3(c)(7) thereof. Section 3(c)(7) excepts an issuer of securities from the definition of investment company if its outstanding securities are beneficially owned in the United States exclusively by "Qualified Purchasers" and if it is not making and does not presently propose to make a public offering of its securities. The rules and interpretations of the SEC and the courts, relating to the definition of "Qualified Purchaser", are highly complex and uncertain in numerous respects.

Because none of the Funds intend to register as an investment company under the Investment Company Act by virtue of either Sections 3(c)(1) or 3(c)(7) exemptions, the protective provisions of the Investment Company Act will generally not apply to the Funds, including, but not limited to, the provisions of the Investment Company Act that require, among other things, a company's board of directors, including a majority of disinterested directors, to approve certain of a fund's activities and contractual relationships, and prohibit a company from engaging in certain transactions with its affiliates. In addition, the Funds will not be subject to requirements such as annual review and approval of an investment advisory contract by a disinterested majority of a board of directors and other governance safeguards that the Investment Company Act imposes.

Securities and investment businesses generally are comprehensively and intensively regulated under national and international laws and regulations. Any investigation, litigation or other proceeding undertaken by national and international regulatory agencies or private parties could necessitate the expenditure of material amounts of the Funds' funds for legal and other costs and could have other materially adverse consequences for the Funds.

Because securities of the Funds held by broker-dealers generally cannot be required to be held in the Funds' name, a failure of such a broker-dealer can have a greater adverse impact on the Funds than if such securities were registered in the Funds' name. Crystal is registered as an investment adviser with the SEC, and acts as the fund manager of the Funds. That an adviser is registered with the SEC does not imply any particular level of skill or training.

Pursuant to rules issued by the United States Commodity Futures Trading Commission (The "CFTC") and its member in such capacity of the National Futures Association ("NFA"), Crystal withdrew its registration with the CFTC as a commodity Pool Operator (CPO") under CFTC No-Action Letter No. 12-38, dated November 29, 2012, with respect to the Portfolios' trading or investing in commodity futures contracts or derivative instruments ("Commodity Interests"). Crystal relies on and filed notice of such exemption with CFTC and NFA because: (i) the Portfolios are structured as "funds of funds;" (ii) the notional value or initial margin and premiums of Commodity Interests in which Portfolios invest directly does not exceed 100% or 5%, respectively, of the Portfolios' liquidation values; (iii) Crystal does not know and could not reasonably know the amount of indirect exposure the Portfolios can have to Commodity Interests; (iv) interests in the Portfolios are exempt from registration under the Securities Act of 1933, as amended; (v) Crystal reasonably believes that investors in Portfolios qualify under CFTC Rule 4.13(a)(3)(iii); and (vi) Portfolios are not marketed as vehicles for trading in the commodity futures or commodity options markets. As a result of such exemption, Crystal is not subject to certain statutory provisions and regulations intended to protect commodity pool investors and Crystal is not required to deliver a disclosure document and a certified annual report to investors in the Portfolios.

Increased Regulations. Events during the past few years (including market volatility and disruptions and the bankruptcy, failure, improper practices, and adverse financial results of certain financial institutions, trading firms, and private investment funds) have focused attention upon the necessity of firms engaging in the trading of highly leveraged securities, commodities, and derivatives to maintain adequate risk controls and compliance procedures. In addition, these events have led to increased governmental and self-regulatory authority scrutiny of various trading participants and the "hedge fund" industry in general, particularly with regard to business practices, short sales, transparency and monitoring of trading positions, and protection of customer funds. Most recently, U.S. regulators have increased scrutiny, reporting requirements, restrictions, and regulations pertaining to short sales of securities (including, but not limited to, short sales of publicly traded financial companies and transactions in excess of US$10,000,000), regardless of whether or not the entity engaging in shorting investment activities is a public or private entity; such regulations can limit the Funds' strategy and increase compliance risks to the Funds. Additionally, inquiries have been conducted to ascertain the investor protection implications of the growth of private investment funds, and proposals have been made with regard to best business practices and additional regulation of such funds, their operators and advisers, and certain of their activities, including proposed restrictions on certain types of trading and proposals for increased public and private disclosure of financial, trading, and risk management information. Certain of such proposal would be applicable to non-U.S. funds managed by U.S. based advisers such as Crystal. The regulation of futures, forward and options transactions in the United States is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets and the need to regulate the "derivatives" markets in general. Any regulations that restrict the ability of the Funds to employ, or broker-dealers and counterparties to extend, credit in connection with the Funds' trading, or otherwise restrict the Funds' trading activities, or require the Funds to disclose proprietary information, or subject the Funds to additional regulation, could adversely impact the Funds' profit potential.

ESG Investing Risk. Other Funds and Managers that employ an ESG strategy may seek to achieve ESG-related outcomes, to achieve exposure to overall ESG performance or particular ESG themes, and/or to screen out particular companies and industries. Such ESG strategies can reduce or increase Other Funds and Managers' exposure to certain companies or industries and Other Funds and Managers can forego certain investment opportunities as a result. Such Other Funds and Managers' performance results can be lower than other funds that do not seek to invest in issuers based on ESG characteristics or that use different criteria when screening out particular companies and industries.

In addition, Crystal can (but is not required to) consider material ESG information in its underlying due diligence process alongside traditional measures of Other Funds and Managers' investment management process (regardless of its investment strategy). Crystal can (but is not required to) consider certain ESG characteristics with the goal of offering Other Funds and Managers on its platform that enhance long-term performance; however, if applicable with respect to such Other Funds and Managers, investors can differ in their views of what constitutes positive or negative ESG characteristics. When evaluating, if at all, Other Funds and Managers' ESG characteristics, Crystal can be dependent upon information and data from third party providers, which can be incomplete, inaccurate or unavailable. As a result, there is a risk in such instances (if any) that Crystal could incorrectly report data on Other Funds and Managers. There is also a risk that Crystal cannot apply relevant ESG criteria, if any, correctly or Other Funds and Managers could have indirect exposure to issuers that do not meet relevant ESG criteria, if any, used by such Other Funds and Managers. Crystal does not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG assessment and Crystal retains the right to not engage in any ESG assessment of Other Funds and Managers as determined in its sole discretion. Further, if an ESG assessment is undertaken (as determined in the sole discretion of Crystal) with respect to Other Funds and Managers, there may be limitations with respect to the readiness of ESG data for certain asset classes, as well as limited availability of Other Funds and Managers with relevant ESG characteristics in certain asset classes. In its sole discretion, Crystal can initiate, change, or disregard an ESG assessment of Other Funds and Managers at any time without notice. While ESG considerations may have the potential to contribute to Other Funds and Managers' long-term performance, there is no guarantee that any such enhancement or results will be achieved.

Lack of Management Control by Investors. Under the offering documents, investors do not have the right to participate in the management, control or operation of the Funds or to remove Crystal.

Use of Side Letters. The Funds can from time to time seek to induce investment by offering investment terms which are not available to other investors in the Funds. In such cases the parties can enter into a written side arrangement varying the terms of the offer. Such variations can include, without limitation, variations to fees or minimum investment, with the effect that not all investors in the Funds will invest on the same terms and some investors can enjoy more favorable terms. Preferential terms and additional information can be given to large investors who provide benefits of scale that benefit all investors. There is no limit with respect to the percentage of investors who can receive side letters in Crystal's discretion. Please refer to each Fund's offering documents for more detailed information on the use of side letters.

The foregoing discussion with respect to side letters can also apply to the Funds' investment with Other Funds and Managers, which means other investors with the Other Funds and Managers can be granted more favorable terms than the Funds.

Hedging Transactions. Other Funds and Managers can utilize financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors both for investment purposes and to seek to hedge against fluctuations in the relative values of an Exposure or Portfolio. Hedging against a decline in the value of a position does not eliminate fluctuations in the values of positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedging transactions also limit the opportunity for gain if the value of the position should increase.

Although the intent of hedging is to reduce fluctuations in the value of the portfolio as a whole, in certain circumstances, particularly when markets are subject to extreme events, hedging activity can add to the volatility of the portfolio. This can occur when previously observed correlations in the markets break down. Moreover, for a variety of reasons, Crystal, a Portfolio Advisor, or an investor into a self-directed Portfolio cannot seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation can prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. Furthermore, Crystal, a Portfolio Adviser or an investor into a self-directed Portfolio can determine not to hedge against certain risks because it fails to anticipate the occurrence of such risk or believes that the occurrence is too unlikely to justify the cost of the hedge. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Portfolios.

Other Derivative Instruments. Other Funds and Managers can use derivative instruments (including future contracts, options and over the counter instruments) to trade or to hedge. Derivatives can be highly leveraged and quite volatile. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged (such as a currency) can prevent the user from achieving the intended hedge effect or expose it to the risk of loss. In addition, derivative instruments cannot be liquid in all circumstances, so that in volatile markets a holder cannot be able to close out a position without incurring a loss. For example, daily limits on price fluctuations and speculative position limits imposed by futures exchanges on which Other Funds and Managers can trade can prevent prompt liquidation of positions, subjecting it to the potential of greater losses. Many derivative transactions cannot be on an organized exchange and cannot be subject to regulation by U.S. or foreign regulators. In some cases such derivatives can be traded in markets that have limited liquidity making it difficult or impossible for the execution of trades at a desired price and can expose the Funds to the risk of counterparty non-performance or failure.

Potential Conflicts of Interest. In addition to trading for the account of the Funds on behalf of the Portfolios, Crystal, Portfolio Advisors, and their respective principals can engage in investment and trading activities for their own account and can also manage the trading of other investment and trading accounts with objectives similar to those of the Funds. Crystal is not obligated to devote any specific amount of time to the affairs of the Funds and is not required to accord exclusivity or priority to the Funds in the event of limited trading or investment opportunities arising from the application of speculative position limits or other factors. Crystal and its affiliates intend to allocate investment opportunities to their clients in accordance with their fiduciary duties, including the Funds. Crystal expects that Other Funds and Managers with which the Funds can invest will allocate investment opportunities to their clients, including the investment fund in which the Funds have invested, in accordance with their fiduciary duties without supervision or control by Crystal. The principals of Crystal are permitted to engage in other business activities.

<u>Tax Risks</u>

Generally. The Funds will not seek rulings from the Internal Revenue Service ("IRS") or any legal opinion with respect to any federal income tax considerations. Moreover, the Funds can take positions as to which the tax consequences are unclear. No assurance can be given that the currently anticipated income tax treatment of an investment in the Funds will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the investors.

Tax & ERISA Risks. Although the offshore Funds have no intention of establishing an office in the United States and will have their principal office in the Cayman Islands, it is possible that the Internal Revenue Service of the United States can at some time in the future take the position that the U.S. office of Crystal constitutes the principal office of such Funds. If the Internal Revenue Service makes this argument, and is successful, the income of the Funds can, due to future changes in the law, be subject to United States taxation in whole or in part and certain U.S. tax reporting requirements.

The tax laws of the United States change with some frequency. It is possible that the tax laws of the United States could be modified to subject some or all of the income to be realized by the offshore Funds to United States income taxation. The offshore Funds have been established only in conjunction with the current state of United States income tax laws and any amendment to such laws could have a substantial negative impact to the net income of the offshore Funds.

Certain investors can be subject to laws, rules and regulations that can regulate their participation in the offshore Funds or their engaging directly, or indirectly through an investment in the offshore Funds, in investment strategies of the types such Funds can utilize from time to time. Each type of entity can be subject to different laws, rules and regulations, and prospective investors should consult with their own advisers as to the advisability and tax consequences of an investment in the Funds. The Funds can take positions as to which the tax consequences are unclear.

The Funds or any Portfolio and/or class can be subject to the fiduciary, prohibited transaction, reporting and disclosure rules of ERISA and the Code. Accordingly, to the extent applicable, any assets of the Funds subject thereto shall be managed in accordance with such rules. Although Crystal believes it to be unlikely, this can require the Funds and/or applicable Portfolios to forego, from time to time, investments, or other arrangements on behalf of the Funds and/or relevant Portfolios that might otherwise have been desirable for the Funds and/or such Portfolios. In addition, the pool of available Exposures can be limited which can in turn limit the Funds' ability to invest in accordance with its investment objective and strategy.

Investor's Tax Liability Can Exceed Distribution. Investors can be liable for taxes on amounts of income allocated to them even though no distributions are made and even though the transaction that results in the gain does not generate any cash. Also, the Funds might sustain losses offsetting such profits after the end of the year, and it is possible that the Funds would never receive the profits on which they were taxed.

Disallowance of Certain Items. The right of investors to take deductions for certain expenses or losses can be challenged by the IRS, whose position can be sustained in the courts. No assurance can be given that any losses or deductions or other potential federal income tax advantages or which prospective investors can otherwise contemplate, will be available for federal income tax purposes.

Characterization of Items. The IRS can take the position that gains treated by the Funds as capital gains are ordinary income, or that capital gains treated by the Funds as long-term are short-term, or that losses treated by the Funds as ordinary losses are capital losses. No assurance can be given that the treatment by the Funds of these or similar characterization issues will be ultimately sustained.

Audit Risks. Certain Funds must file annual federal information returns and will also be required to file state and local information returns. Any return filed by the Funds can be audited and any such audit can result in adjustments and in an audit of an investor's own tax return. Such an audit could result in adjustments to non-Fund as well as Fund items and could involve additional expenses for the investor being audited.

Treatment of the Portfolios. With respect to the onshore Fund, the IRS has not made a determination as to whether each series in a Delaware limited liability company should be considered a separate entity for federal income tax purposes, although there is no authority to our knowledge to suggest that such separation is the appropriate treatment. If the IRS were to take such a position, the primary impact on the Fund would be uncertain.

Miscellaneous. Certain investors can be subject to laws, rules and regulations that can regulate their participation in the Funds or their engaging directly, or indirectly through an investment in the Funds, in investment strategies of the types the Funds can utilize from time to time. Each type of entity can be subject to different laws, rules and regulations, and prospective investors should consult with their own advisers as to the advisability and tax consequences of an investment in the Funds.

Extraordinary Events. Recent terrorist activity and United States involvement in armed conflict demonstrate that such events can negatively affect general economic fortunes, including sales, profits and production, and can lead to depressed securities prices and problems with trading facilities and infrastructure.

Legal Risk. Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships are new and largely untested. As a result, the offshore Funds can be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it can be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the offshore Funds and their operations. Furthermore, it can be difficult to obtain and enforce a judgment in a court outside of the Cayman Islands or the United States.

No Independent Counsel. No independent legal counsel has been retained to represent the interests of the holders of the interests in the Funds. Each prospective investor is therefore urged to consult its own counsel as to the terms and provisions of the Funds and with regard to all other related documents.

Contagion Risks Among the Portfolios. Even though the onshore Fund currently intends to organize each of the onshore Fund and the onshore Master Fund into series of limited liability company interests, which Crystal believes will generally quarantine the assets and liabilities of one Portfolio from any other Portfolio of the onshore Fund and of one Exposure from another Exposure of the onshore Master Fund: (i) classes within the same Portfolio share risks and liabilities; (ii) different Portfolios can target the same Exposures which means some risk is shared among the onshore Fund's Portfolios; and (iii) notwithstanding the onshore Fund's efforts to organize the onshore Fund and interests by series and the onshore Master Fund and Exposures by series, there is no guarantee assets and liabilities will be quarantined within each series under Delaware law, including in the event the liabilities of any single series exceeds the assets of any such series.

Even though the offshore Funds and their respective offshore Master Funds are organized as segregated portfolio companies in the Cayman Islands, which Crystal believes will generally quarantine the assets and liabilities of one Portfolio from any other Portfolio of such Fund and of one Exposure from another Exposure of such Master Fund: (i) classes and subclasses within the same Portfolio share risks and liabilities; (ii) different Portfolios can target the same Exposures which means some risk is shared among such Fund's Portfolios; and (iii) notwithstanding the Fund's efforts to organize such Fund and shares by Portfolio and such Master Fund and Exposures by Portfolio, there is no guarantee assets and liabilities will be quarantined within each Portfolio under laws other than those of the Cayman Islands, including in the event the liabilities of any single Portfolio exceeds the assets of any such Portfolio.

The foregoing list of certain risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the offering documents for the relevant Fund and consult with their own advisors before deciding whether to invest in such Fund.

Item 9. Disciplinary Information

Crystal and its management have not been involved in any criminal or civil actions, administrative or self-regulatory enforcement proceedings, nor any legal or disciplinary events that are material to a client's or prospective client's evaluation of Crystal or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Crystal is the Fund Manager of the onshore and offshore Funds.

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

Crystal has adopted a Code of Ethics pursuant to 17 C.F.R. § 275.204A-1. The Code of Ethics sets forth the applicable policies, guidelines and procedures that promote ethical practices and conduct by all Crystal officers, partners, directors (persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on behalf of Crystal and is subject to our supervision or control ("Employee(s)"). The Code of Ethics is designed to foster compliance with the applicable federal statutes and regulatory requirements, prevent circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. Among other things, Crystal's Code of Ethics: (i) governs personal trading by its Employees, (ii) contains its policies with respect to gifts and entertainment, (iii) contains its policies regarding certain outside activities of Crystal's Employees, (iv) sets forth its policies and procedures relating to insider trading, and (v) sets forth the manner in which Employees may report violations of law or its policies and procedures. All Crystal Employees review and acknowledge reviewing the Code of Ethics on an annual basis.

Employees are generally permitted to engage in personal trading per the Code of Ethics, which specifies certain permitted personal investments and establishes reporting and pre-clearance of personal trading requirements and enforcement procedures. Employees must obtain prior written consent from the CCO to transact in: (i) initial public offerings owned by Other Funds and Managers available on the Crystal platform or (ii) private investments or limited offerings. Additionally, Employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts. Crystal's personal trading policy also generally applies to an Employee's family residing in the same household as such Employee.

The personal trading policy is designed to reasonably ensure that the personal trading of Employees will not interfere with making decisions in the best interests of clients. To meet Crystal's fiduciary duties to the Funds, investment opportunities in Other Funds and Managers accessible on Crystal's platform will be made available to Portfolio Advisors and their clients (i.e., the Funds' investors), as well as investors with self-directed Portfolios and Employees, on Crystal's website. Allocations will generally be pro rata based upon interest expressed and be determined by subscriptions, availability of cash, and other considerations applicable to the investments.

Investors can request a copy of the firm's Code of Ethics by contacting the firm's Chief Compliance Officer at (305) 868-1500.

Item 12. Brokerage Practices

The Funds currently intend to principally operate as a "fund of funds" and generally do not make direct investments in other securities.

From time to time, the Funds may retain registered brokers or others who initiate sales of interests in the Funds ("Placement Agents") in connection with the offer and sale of interests of the Funds. If applicable, a Placement Agent, who may be a related party to the Portfolio Advisor, can receive a placement fee (a "Placement Fee") from the investor. Unless otherwise indicated in the subscription agreement, if applicable, Crystal's management fee will be reduced by the amount of the Placement Fee so that total fees paid by the investor will remain the same.

In circumstances where an investor is introduced to a Fund by a Placement Agent, such investor can instruct the Fund to compensate the Placement Agent by paying out of such investor's account a one-time up-front "Sales Load Fee" and/or "Sales Trailer Fee." If applicable, terms of the Sales Load Fee and/or Sales Trailer Fee(s) will be described in the subscription agreement.

Item 13. Review of Accounts

As part of its fund management services to all Portfolios of the Funds, Crystal prepares a consolidated monthly and/or quarterly account statement for each investor in a Portfolio of the Funds. Account statements typically show account balance, account activity, allocation details, estimated performance details and other information for the applicable reporting period. Account statements are provided to investors via Crystal's secure website. Account statements showing final net asset value calculations are also available from the Funds' administrator upon request.

In addition, Crystal also provides an independent annual consolidated Schedule K-1 tax form for each US investor and independent audited financial statements for all Portfolios.

Item 14. Client Referrals and Other Compensation

Crystal does not receive any economic benefits other than management fees paid by Portfolios of the Funds and does not receive any economic benefits from any third parties (including, without limitation, Portfolio Advisors, Placement Agents and Other Funds and Managers) with respect to services offered to investors.

From time to time, the Funds can retain Placement Agents in connection with the offer and sale of interests of the Funds. If applicable, Placement Agents can receive a Placement Fee from the Funds on behalf of the investor which has been introduced, directly or indirectly, by the Placement Agent. If applicable, the Placement Fee can include a continuing fee paid to Placement Agent by the applicable Portfolio quarterly in arrears for so long as such investor is invested in such Portfolio. If applicable, Crystal's management fee will be reduced by the amount of the Placement Fee.

Item 15. Custody

Crystal can be deemed to have custody of certain client assets under applicable laws and regulations as a result of its service as the Fund Manager of the onshore Fund and Master Fund, or its service as sponsor and owner of the issued founder's shares of the offshore Funds and Master Funds. Physical custody of the Funds' and other client assets, however, is provided by the Bank of New York Mellon as the Funds' custodian, not Crystal.

Crystal provides an annual audit of the Funds' financial statements by an independent public accounting firm that is registered with (and is subject to regular inspection by) the PCAOB and distributes the financial statements prepared in accordance with GAAP to each investor in the Funds within 180 days of the Fund's fiscal year end.

Item 16. Investment Discretion

Crystal, in its capacity as fund manager, does not have discretionary investment authority or provide advisory services to any Portfolio. The Portfolio Advisor exercises exclusive investment discretion over such Portfolio, as described in the offering documents. The Portfolio Advisor is selected by the investor(s) of a Portfolio per the investor's subscription document.

Certain investors can elect not to utilize the advisory services of a Portfolio Advisor and therefore have a self-directed Portfolio. Such investors have full discretionary investment authority with respect to their self-directed Portfolios and are responsible for making all investment decisions including, without limitation, the ongoing monitoring of their investment objectives, allocations, risk and liquidity with respect to such Portfolios.

Item 17. Voting Client Securities

Fund investors are not entitled to voting rights, except in such special circumstances as provided in the offering documents. In the limited circumstances in which Crystal is required to vote proxies, it will vote proxies in the best interest of the Funds, which generally means voting to maximize the value of the relevant Portfolios. In the event of a conflict of interest, Crystal will seek to resolve the conflicts in the best interests of the relevant Portfolios. If conflicts are deemed material, Crystal may engage a third party to vote proxies. Upon the request by a Fund investor, Crystal will disclose to such investor how it voted proxies for securities owned by the relevant Portfolio.

Item 18. Financial Information

Crystal currently has no financial condition that would impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of any bankruptcy proceedings.

Item 19. Requirements of State-Registered Advisers

This Item is not applicable to Crystal.