



THIRD POINT OFFSHORE FUND, LTD.

FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2018

With Report of Independent Auditors

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Ernst & Young Ltd.
62 Forum Lane
Camana Bay
P.O. Box 510
Grand Cayman KY1-1106
CAYMAN ISLANDS

Tel: +1 345 949 8444
Fax: +1 345 949 8529
ey.com

Report of Independent Auditors

The Board of Directors
Third Point Offshore Fund, Ltd.

We have audited the accompanying financial statements of Third Point Offshore Fund, Ltd. (the “Fund”), which comprise the statement of assets and liabilities as of December 31, 2018, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Third Point Offshore Fund, Ltd. at December 31, 2018, and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

March 18, 2019

Statement of Assets and Liabilities

December 31, 2018

(Stated in United States Dollars)

\$

Assets

Cash	13,845,717
Investment in Third Point Offshore Master Fund L.P., at fair value	6,040,964,590
Redemptions receivable from Third Point Offshore Master Fund L.P.	365,534,193
Total assets	6,420,344,500

Liabilities

Shareholder redemptions payable	365,534,193
Shareholder subscriptions received in advance	13,843,118
Accrued expenses	121,908
Total liabilities	379,499,219
Net assets	6,040,845,281

Net asset value per share (See Note 4)

See accompanying notes and attached financial statements of Third Point Offshore Master Fund L.P.

Statement of Operations

Year ended December 31, 2018

(Stated in United States Dollars)

\$

Realized and unrealized gain/(loss) on investment transactions allocated from Third Point Offshore Master Fund L.P.

Net realized gain from securities and foreign currency translations	180,786,438
Net realized gain from affiliated funds and foreign currency translations	10,564,799
Net realized gain from derivative contracts and foreign currency translations	97,349,807
Net change in unrealized gain on securities and foreign currency translations	(952,225,497)
Net change in unrealized gain on affiliated funds and foreign currency translations	(19,738,293)
Net change in unrealized gain on derivative contracts and foreign currency translations	(114,410,615)
Net gain from currencies	6,178,386
Net realized and unrealized loss from investment transactions allocated from Third Point Offshore Master Fund L.P.	(791,494,975)

Investment income allocated from Third Point Offshore Master Fund L.P.

Interest	114,254,575
Dividends, net of withholding taxes of \$24,720,495	60,438,291
Stock loan fees	13,171,002
Other	2,663,163
Total investment income allocated from Third Point Offshore Master Fund L.P.	190,527,031

Investment expenses allocated from Third Point Offshore Master Fund L.P.

Management fee	147,335,071
Dividends on securities sold, not yet purchased	22,646,752
Interest	18,889,992
Administrative and professional fees	18,675,796
Research fees	7,217,698
Stock borrow fees	1,024,510
Other	277,269
Total investment expenses allocated from Third Point Offshore Master Fund L.P.	216,067,088
Net investment loss allocated from Third Point Offshore Master Fund L.P.	(25,540,057)

(Stated in United States Dollars) \$

Fund expenses

Administrative and professional fees	204,831
Other	80,041
Total Fund expenses	284,872
Net investment loss	(25,824,929)
Incentive allocated from Third Point Offshore Master Fund L.P.	(1,270,339)
Net decrease in net assets resulting from operations	(818,590,243)

See accompanying notes and attached financial statements of Third Point Offshore Master Fund L.P.

Statement of Changes in Net Assets

Year ended December 31, 2018

(Stated in United States Dollars)

\$

Increase/(decrease) in net assets resulting from operations

Allocated from investment in Third Point Offshore Master Fund L.P.:

Net realized gain from securities and foreign currency translations	180,786,438
Net realized gain from affiliated funds and foreign currency translations	10,564,799
Net realized gain from derivative contracts and foreign currency translations	97,349,807
Net change in unrealized gain on securities and foreign currency translations	(952,225,497)
Net change in unrealized gain on affiliated funds and foreign currency translations	(19,738,293)
Net change in unrealized gain on derivative contracts and foreign currency translations	(114,410,615)
Net gain from currencies	6,178,386
Net investment loss	(25,540,057)
Incentive allocated from Third Point Offshore Master Fund L.P.	(1,270,339)
Total Fund expenses	(284,872)
Net decrease in net assets resulting from operations	(818,590,243)

Increase/(decrease) in net assets resulting from capital share transactions

Class E Shares issued	339,331,018
Class F Shares issued	163,487,003
Class G Shares issued	100,094,051
Class P Shares issued	4,350,000
Class A Shares redeemed	(165,582)
Class D Shares redeemed	(9,671,094)
Class E Shares redeemed	(774,077,855)
Class F Shares redeemed	(316,326,154)
Class G Shares redeemed	(128,131,863)
Class E Shares transferred in	19,136,263
Class F Shares transferred out	(19,136,263)
Redemption fee income	223,134
Net decrease in net assets resulting from capital transactions	(620,887,342)
Net decrease in net assets	(1,439,477,585)
Net assets at beginning of year	7,480,322,866
Net assets at end of year	6,040,845,281

See accompanying notes and attached financial statements of Third Point Offshore Master Fund L.P.

Statement of Cash Flows

Year ended December 31, 2018

(Stated in United States Dollars)

\$

Cash flows from operating activities

Net decrease in net assets resulting from operations	(818,590,243)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in investment in Third Point Offshore Master Fund L.P.	1,439,469,544
Increase in redemptions receivable from Third Point Offshore Master Fund L.P.	(53,007,102)
Increase in accrued expenses	7,883
Net cash provided by operating activities	567,880,082

Cash flows from financing activities

Proceeds from issuance of shares	561,321,592
Payments for redemption of shares	(1,175,142,312)
Net cash used in financing activities	(613,820,720)
Net decrease in cash	(45,940,638)
Cash at beginning of year	59,786,355
Cash at end of year	13,845,717

See accompanying notes and attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements

Year ended December 31, 2018

1. Organization

Third Point Offshore Fund, Ltd. (the “Fund”) was incorporated under the laws of the Cayman Islands on October 21, 1996, commenced operations on December 1, 1996 and is registered under the Cayman Islands Mutual Funds Law and with the Cayman Islands Monetary Authority. The Fund’s objective is to seek to generate consistent long-term capital appreciation.

The Fund invests substantially all of its net assets in Third Point Offshore Master Fund L.P., an exempted limited partnership formed under the laws of the Cayman Islands (the “Master Partnership”), which, in turn conducts substantially all investment and trading activities on behalf of the Fund. Third Point Advisors II L.L.C. (the “General Partner”), a limited liability company formed under the laws of the State of Delaware and an affiliate of Third Point LLC, serves as the general partner of the Master Partnership.

Third Point LLC (the “Investment Manager”) is the Investment Manager of the Fund and the Master Partnership. 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 is responsible for the operation and management of the Fund, subject to the policies and control of the board of directors of the Fund (the “Board of Directors”).

The Fund 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 Fund meets the criteria to be classified as an investment company. Accordingly, the Fund reflects its investments in the Statement of Assets and Liabilities 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 funds, derivative contracts and foreign currency translations in the Statement of Operations.

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

2. Significant Accounting Policies

The Fund’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and are expressed in United States dollars. The following is a summary of the significant accounting and reporting policies:

The Fund 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 Fund. Capital gains derived by the Fund in such jurisdictions generally will be exempt from foreign income or withholding taxes at the source.

The Investment Manager has reviewed the Fund’s tax positions in accordance with *Accounting for Uncertainty in Income Taxes* and has concluded that no material provision for income tax is required in the Fund’s financial statements. Generally, the Fund may be subject to income tax examinations by major tax authorities including United States and other authorities for open tax years since inception.

The Fund would recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Operations. During the year ended December 31, 2018, the Fund did not incur any interest or penalties.

See attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements *continued*

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

The Fund records securities 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 expenses, including interest income and expenses, are recorded on the accrual basis.

The preparation of financial statements in conformity with U.S. GAAP 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 these estimates.

The fair value of the Fund's assets and liabilities, which qualify as financial instruments, approximates the carrying amounts presented in the Statement of Assets and Liabilities.

The Fund's investment in the Master Partnership is valued at fair value, which is represented by the Fund's proportionate interest in the Partners' Capital of the Master Partnership, which was \$6,040,964,590 at December 31, 2018. The fair value represents the amount the Fund would expect to receive at December 31, 2018 if it were to liquidate its investment in the Master Partnership. The percent of the Master Partnership owned by the Fund at December 31, 2018 was approximately 99.91%. The Fund's allocated share of each item of the Master Partnership's income and expense is reflected in the accompanying Statement of Operations. The performance of the Fund is directly affected by the performance of the Master Partnership and is subject to the same risks to which the Master Partnership is subject. Attached are the audited financial statements of the Master Partnership.

Valuation of investments held by the Master Partnership is discussed in the notes to the Master Partnership's audited financial statements. The Fund records monthly its proportionate share of the Master Partnership's income, expenses, and realized and unrealized gains and losses. In addition, the Fund accrues its own income and expenses. The Fund records subscriptions and redemptions related to its investment in the Master Partnership on the transaction date.

In January 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-01 *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. One of the amendments in this update eliminates the requirement to disclose fair value of financial instruments not recognized at fair value in the Statement of Assets and Liabilities for entities that do not meet the definition of a public business entity. The amended guidance is effective for fiscal years beginning after December 15, 2018, however early adoption is permitted. The Fund early adopted the amendments in this update related to the elimination of the fair value disclosure of financial instruments not recognized at fair value in 2017. The adoption did not have a material impact on the Fund's financial statements. The adoption of the remaining amendments of ASU 2016-01 is not expected to have a material impact on the Fund's financial statements.

3. Related Party Transactions

Pursuant to the investment management agreement, the Master Partnership pays the Investment Manager a management fee at an annual rate of 1.75% (Class P) to 2.00% (Classes A, B, C, D, E, F and H) of the net asset value of the shares 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 or the General Partner. For the year ended December 31, 2018, the management fee allocated from the Master Partnership was \$147,335,071.

See attached financial statements of Third Point Offshore Master Fund L.P.

3. Related Party Transactions (continued)

The Fund pays an incentive fee to the Investment Manager, allocated to the General Partner of the Master Partnership, equal to 20% of the annual increase in the aggregate net asset value of each series of Class A, B, C, D, E, F, H and P shares (the “Full Incentive Fee”). The incentive fee is accrued monthly and allocated to the General Partner of the Master Partnership at the end of each fiscal year. The incentive fee is calculated in a manner which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each fiscal year resulting from shareholder subscriptions and redemptions. If a particular series depreciates during any fiscal year and during subsequent years there is a profit attributable to such series, the series must recover an amount equal to 2.5 times the amount of depreciation in the prior years before the General Partner of the Master Partnership is entitled to the Full Incentive Fee allocation. Until this occurs, the series will be subject to a reduced incentive fee equal to half of the Full Incentive Fee. For the year ended December 31, 2018, the incentive allocation from the Master Partnership totaled \$1,270,339.

In accordance with the Partnership Agreement, amounts related to professional fees paid by the Investment Manager on behalf of the Fund would be included in accrued expenses in the Statement of Assets and Liabilities. For the year ended December 31, 2018, the Investment Manager paid \$2,320 of professional fees on behalf of the Fund, which are included in administrative and professional fees in the Statement of Operations. As of December 31, 2018, the Fund had no balance due to the Investment Manager related to such expenses. The amounts are non-interest bearing and have been reimbursed by the Fund through distributions of current income and disposition proceeds.

4. Share Capital

The Fund has an authorized share capital consisting of \$2,000,000 divided into 200,000,000 participating shares of \$0.01 each. The Fund issues a separate series of shares to those investors who purchase shares as of the first business day of each month. A different series of shares is issued in order to equitably reflect the differing incentive fees attributable to each series because of the differing issue dates throughout the fiscal year. Shares are offered in series at a purchase price of \$100 per share. At December 31, 2018, there were nine outstanding classes (each, a “Class”) of shares: Class A, B, C, D, E, F, G, H and P and within each class there is one or more separate series. Each share is equal to every other share of the same series with respect to earnings, assets, dividends and voting privileges. Class E, F and P are currently offered. Class B, D, F and G shares will in aggregate participate only up to 10% of profits and losses from “new issues”. The Investment Manager waives management and incentive fees for Class G shares.

Class A and B shares have monthly redemption rights. Class C, D, E, F, G and H shares have quarterly redemption rights. Class P shares have thirty month redemption rights. Redemptions made during the initial subscription year are subject to a redemption fee equal to 5% of the redemption proceeds for Class D, E, G and H shares. The redemption fee is for the benefit of the Fund and proceeds are allocated on a pro-rata basis to the remaining shareholders. All redemption rights are subject to an overall limit, at the discretion of the Fund’s Board of Directors, of aggregate redemptions in any calendar quarter of 20% of the Fund’s NAV as of the first day of such calendar quarter.

The Board of Directors has the right to create additional classes, series and sub-series for an investor as it determines appropriate in its sole discretion. Each series of a Class will have equal rights and privileges with each other series of that Class.

See attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements *continued*

Year ended December 31, 2018

4. Share Capital (*continued*)

If at the end of a fiscal year, a series of a class of shares is charged a Full Incentive Fee, the shares of such series may be redesignated and converted on the first business day following the end of the fiscal year into the first series of such class at the prevailing net asset value of such series. No redesignation or conversion shall occur with respect to a series of a class if at the end of a fiscal year such series has not been charged a Full Incentive Fee.

The Fund 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.

See attached financial statements of Third Point Offshore Master Fund L.P.

4. Share Capital (continued)

	Shares Outstanding at January 1, 2018	Shares Rolled Up	Shares Transferred In	Shares Transferred Out	Change in Beneficial Owner Transfer In	Change in Beneficial Owner Transfer Out	Shares Issued	Shares Redeemed	Shares Outstanding at December 31, 2018	Net Asset Value Per Share at December 31, 2018 \$
Class A, Series 1	119,656	-	-	-	-	-	-	(243)	119,413	681.16
Class B, Series 1	3,622	-	-	-	-	-	-	-	3,622	655.22
Class C, Series 1	30,017	-	-	-	-	-	-	-	30,017	690.66
Class D, Series 1	100,072	-	-	-	-	-	-	(13,535)	86,537	644.70
Class E, Series 1	8,321,099	1,940,619	-	(3,696)	-	(13,401)	-	(1,655,779)	8,588,842	369.36
Class F, Series 1	2,845,684	806,653	-	(50,336)	-	(21,085)	-	(773,605)	2,807,311	360.02
Class G, Series 1	589,978	-	584,473	-	-	-	-	(805,351)	369,100	112.55
Class H, Series 1	496,277	-	-	-	-	-	-	-	496,277	225.10
Class P, Series 1	-	-	-	-	-	-	27,500	-	27,500	88.09
Class E, Series 2	1,127,000	(1,127,000)	-	-	-	-	312,700	-	312,700	84.85
Class F, Series 2	191,180	(191,180)	-	(10,000)	-	-	183,990	-	173,990	84.81
Class G, Series 2	-	-	-	(726,808)	-	-	1,000,797	(273,523)	466	90.51
Class P, Series 2	-	-	-	-	-	-	16,000	-	16,000	93.57
Class E, Series 3	139,910	(139,910)	-	-	-	-	1,293,200	-	1,293,200	88.06
Class F, Series 3	2,864	(2,864)	-	-	-	-	140,095	-	140,095	88.02
Class G, Series 3	-	-	-	-	-	-	144	-	144	86.40
Class E, Series 4	133,300	(133,300)	-	-	-	-	253,500	-	253,500	89.35
Class F, Series 4	116,687	(116,687)	-	-	-	-	122,489	-	122,489	89.31
Class E, Series 5	-	-	10,000	-	-	-	-	-	10,000	84.85
Class F, Series 5	10,955	(10,955)	-	-	-	-	343,477	-	343,477	88.63
Class E, Series 6	-	-	8,769	-	-	-	-	-	8,769	360.17
Class F, Series 6	49,650	(49,650)	1,197	-	-	-	-	-	1,197	369.21
Class E, Series 7	3,849	(3,849)	-	-	-	-	179,500	-	179,500	88.66
Class F, Series 7	309,800	(309,800)	-	-	-	-	49,889	-	49,889	87.36
Class E, Series 8	1,255,100	(1,255,100)	-	-	-	-	170,750	-	170,750	87.39
Class F, Series 8	164,620	(164,620)	-	-	12,081	-	-	-	12,081	87.36
Class E, Series 9	3,535,441	-	193,527	(7,103)	-	-	-	(351,509)	3,370,356	238.30
Class F, Series 9	204,470	(204,470)	-	-	-	-	143,811	(41,000)	102,811	87.86
Class E, Series 10	319,573	-	10,971	(318,288)	-	-	978	(13,234)	-	-
Class F, Series 10	288,650	(288,650)	-	-	28,402	-	-	-	28,402	87.86
Class E, Series 11	192,100	(192,100)	962	-	-	-	-	-	962	360.17
Class F, Series 11	170,185	(170,185)	-	-	-	-	164,160	-	164,160	88.17

See attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements continued

Year ended December 31, 2018

4. Share Capital (continued)

	Shares Outstanding at January 1, 2018	Shares Rolled Up	Shares Transferred In	Shares Transferred Out	Change in Beneficial Owner Transfer In	Change in Beneficial Owner Transfer Out	Shares Issued	Shares Redeemed	Shares Outstanding at December 31, 2018	Net Asset Value Per Share at December 31, 2018 \$
Class E, Series 12	5,300	(5,300)	-	-	4,556	-	-	-	4,556	87.39
Class F, Series 12	10,000	(10,000)	-	-	20,775	-	-	-	20,775	88.17
Class E, Series 13	10,312	(10,312)	-	-	-	-	103,031	(2,941)	100,090	87.89
Class F, Series 13	1,204	(1,204)	-	-	-	-	187,000	-	187,000	87.99
Class E, Series 14	271,863	(271,863)	-	-	-	-	61,286	-	61,286	88.19
Class F, Series 14	514,261	(514,261)	-	-	24,943	-	-	-	24,943	87.99
Class E, Series 15	5,610	(5,610)	-	-	20,849	-	-	-	20,849	88.19
Class F, Series 15	1,078	(1,078)	-	-	-	-	45,400	-	45,400	87.97
Class E, Series 16	40,220	(40,220)	-	-	4,271	-	-	-	4,271	88.01
Class F, Series 16	346,150	(346,150)	-	-	-	-	9,038	-	9,038	94.75
Class E, Series 17	94,700	(94,700)	-	-	-	-	346,300	-	346,300	88.01
Class F, Series 17	3,835	(3,835)	2,499	-	-	-	-	-	2,499	369.36
Class E, Series 18	505,352	(505,352)	3,210	-	-	-	-	-	3,210	360.12
Class F, Series 18	421,375	(421,375)	-	-	-	-	56,000	-	56,000	93.55
Class E, Series 19	307,589	(307,589)	1,104	-	-	-	-	-	1,104	360.12
Class F, Series 19	188,100	-	-	-	-	-	-	(23,862)	164,238	88.58
Class E, Series 20	4,115	(4,115)	-	-	-	-	112,350	-	112,350	87.98
Class F, Series 20	136,411	-	-	-	-	-	-	-	136,411	88.53
Class E, Series 21	973,350	(973,350)	-	-	-	-	39,050	-	39,050	94.75
Class F, Series 21	-	-	-	-	-	-	115,962	(23,630)	92,332	88.70
Class E, Series 22	4,125	(4,125)	629	-	-	-	-	-	629	360.09
Class E, Series 23	279,500	-	-	-	-	-	-	-	279,500	88.71
Class E, Series 24	3,826	-	-	-	-	-	-	-	3,826	88.71
Class E, Series 25	16,661	-	-	-	-	-	-	-	16,661	88.71
Class E, Series 26	14,000	(14,000)	4,100	-	-	-	-	-	4,100	360.02
Class E, Series 27	12,316	-	-	-	-	-	-	(12,316)	-	-
Class E, Series 28	356,939	-	-	-	-	-	-	(2,000)	354,939	88.65
Class E, Series 29	998,806	-	-	-	-	-	-	-	998,806	88.65

See attached financial statements of Third Point Offshore Master Fund L.P.

4. Share Capital (continued)

	Shares Outstanding at January 1, 2018	Shares Rolled Up	Shares Transferred In	Shares Transferred Out	Change in Beneficial Owner Transfer In	Change in Beneficial Owner Transfer Out	Shares Issued	Shares Redeemed	Shares Outstanding at December 31, 2018	Net Asset Value Per Share at December 31, 2018 \$
Class E, Series 30	-	-	-	-	-	-	513,143	(9,440)	503,703	88.81
Class E, Series 31	4,168	-	-	-	-	-	-	-	4,168	88.65
Class E, Series 32	5,347	-	-	-	-	-	-	-	5,347	88.65
Class E, Series 33	-	-	-	-	6,140	-	-	-	6,140	88.81
Class E, Series 34	-	-	4,830	-	-	-	-	-	4,830	360.49
Class E, Series 35	-	-	26,731	-	-	-	-	-	26,731	360.02
Class E, Series 36	-	-	-	-	-	-	10,000	-	10,000	93.55
Class E, Series 43	77,504	(77,504)	-	-	-	-	-	-	-	-
Class F, Series 54	70,250	(70,250)	-	-	-	-	-	-	-	-
Class F, Series 56	10,091	(10,091)	-	-	-	-	-	-	-	-
Class F, Series 57	14,000	(14,000)	-	-	-	-	-	-	-	-
Class E, Series 60	225,181	24,709	-	-	-	-	-	(68,342)	181,548	159.53
Class F, Series 60	70,420	73,360	-	-	-	-	-	(30,197)	113,583	162.69
Class E, Series 60-1	10,250	(10,250)	-	-	-	-	-	-	-	-
Class F, Series 60-1	6,200	(6,200)	-	-	-	-	5,200	-	5,200	84.81
Class E, Series 60-2	-	-	-	-	-	-	5,800	-	5,800	87.89
Class F, Series 60-2	-	-	-	-	-	-	4,150	-	4,150	88.02
Class E, Series 60-3	-	-	-	-	-	-	6,200	(1,500)	4,700	88.81
Class F, Series 60-3	23,825	(23,825)	-	-	-	-	3,450	(3,450)	-	-
Class E, Series 60-4	-	-	-	-	-	-	4,800	-	4,800	88.19
Class F, Series 60-4	3,500	(3,500)	-	-	-	-	7,150	-	7,150	88.63
Class F, Series 60-5	2,800	(2,800)	-	-	-	-	4,850	-	4,850	87.36
Class F, Series 60-6	1,000	(1,000)	-	-	-	-	11,909	-	11,909	87.86
Class F, Series 60-7	776	(776)	-	-	-	-	15,400	-	15,400	88.17

See attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements continued

Year ended December 31, 2018

4. Share Capital (continued)

	Shares Outstanding at January 1, 2018	Shares Rolled Up	Shares Transferred In	Shares Transferred Out	Change in Beneficial Owner Transfer In	Change in Beneficial Owner Transfer Out	Shares Issued	Shares Redeemed	Shares Outstanding at December 31, 2018	Net Asset Value Per Share at December 31, 2018 \$
Class F, Series 60-8	656	(656)	-	-	-	-	10,000	-	10,000	87.97
Class F, Series 60-9	4,000	(4,000)	-	-	-	-	-	-	-	-
Class F, Series 60-10	2,358	(2,358)	-	-	-	-	-	-	-	-
Class F, Series 60-11	2,600	(2,600)	-	-	-	-	-	-	-	-
Class F, Series 60-12	1,300	(1,300)	-	-	-	-	-	-	-	-
Class F, Series 60-13	2,500	-	-	-	-	-	-	-	2,500	88.58
Class F, Series 60-14	3,750	-	-	-	-	-	-	-	3,750	88.53
Class F, Series 60-15	3,850	(3,850)	-	-	-	-	-	-	-	-
Class F, Series 60-16	2,613	(2,613)	-	-	-	-	-	-	-	-
Class F, Series 60-17	1,457	(1,457)	-	-	-	-	-	-	-	-
Class E, Series 60-20	1,500	(1,500)	-	-	-	-	-	-	-	-
Class F, Series 60-23	1,000	(1,000)	-	-	-	-	-	-	-	-
Class E, Series 61-1	64,402	241,581	-	-	-	-	-	(16,870)	289,113	164.12
Class F, Series 3-61-2	927	-	-	-	-	-	-	-	927	162.37
Class E, Series 61-4	52,819	(52,819)	-	-	-	-	-	-	-	-
Class E, Series 61-5	3,000	(3,000)	-	-	-	-	-	-	-	-
Class E, Series 61-6	18,533	(18,533)	-	-	-	-	-	-	-	-
Class E, Series 61-7	1,052	(1,052)	-	-	-	-	-	-	-	-
Class E, Series 61-8	13,899	(13,899)	-	-	-	-	-	-	-	-
Class E, Series 61-12	22,500	(22,500)	-	-	-	-	-	-	-	-
Class E, Series 61-13	5,000	(5,000)	-	-	-	-	-	-	-	-
Class E, Series 61-14	46,332	(46,332)	-	-	-	-	-	-	-	-
Class E, Series 61-15	92,662	(92,662)	-	-	-	-	-	-	-	-

See attached financial statements of Third Point Offshore Master Fund L.P.

4. Share Capital (continued)

	Shares Outstanding at January 1, 2018	Shares Rolled Up	Shares Transferred In	Shares Transferred Out	Change in Beneficial Owner Transfer In	Change in Beneficial Owner Transfer Out	Shares Issued	Shares Redeemed	Shares Outstanding at December 31, 2018	Net Asset Value Per Share at December 31, 2018 \$
Class E, Series 61-16	31,000	(31,000)	-	-	-	-	-	-	-	-
Class F, Series 62	82,400	(82,400)	-	-	-	-	6,090	-	6,090	88.63
Class F, Series 62-1	-	-	-	-	-	-	5,000	-	5,000	88.17
Class F, Series 66	17,000	(17,000)	-	-	-	-	-	-	-	-
Class E, Series 70	533,598	(533,598)	-	-	-	-	-	-	-	-
Class E, Series 72	6,482	(6,482)	-	-	-	-	-	-	-	-
Class E, Series 73	591,115	(591,115)	-	-	-	-	-	-	-	-
Class E, Series 76	278,690	(278,690)	-	-	-	-	-	-	-	-
Class E, Series 79	636,200	(636,200)	-	-	-	-	-	-	-	-

See attached financial statements of Third Point Offshore Master Fund L.P.

Notes to Financial Statements *continued*

Year ended December 31, 2018

5. Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of indemnifications and warranties. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund 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 Fund also indemnifies 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 these indemnifications would be reflected in administrative and professional fees in the Statement of Operations. The Fund did not incur any expenses related to indemnifications for the year ended December 31, 2018.

6. Financial Highlights

The following table represents the per share operating performance, ratios to average net assets and total return information for the year ended December 31, 2018.

	Class A, Series 1	Class B, Series 1	Class C, Series 1	Class D, Series 1	Class E, Series 1	Class F, Series 1	Class H, Series 1	Class P, Series 1 ⁽¹⁾
Per share operating performance								
Net asset value at beginning of year	\$766.93	\$738.68	\$777.63	\$726.82	\$415.87	\$405.88	\$249.08	\$100.00
Income from investment operations:								
Net realized and unrealized gain from investments	(83.06)	(80.85)	(84.22)	(79.55)	(45.04)	(44.43)	(23.11)	(11.93)
Net investment income/(loss)	(2.71)	(2.61)	(2.75)	(2.57)	(1.47)	(1.43)	(0.87)	0.02
Incentive allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total from investment operations	(85.77)	(83.46)	(86.97)	(82.12)	(46.51)	(45.86)	(23.98)	(11.91)
Net asset value at the end of the year	\$681.16	\$655.22	\$690.66	\$644.70	\$369.36	\$360.02	\$225.10	\$ 88.09
Ratios to average net assets								
Total expenses before incentive allocation	2.94%	2.94%	2.94%	2.95%	3.01%	3.03%	2.94%	0.95%
Incentive allocation	0.00	0.00	0.00	0.01	0.01	0.02	0.00	0.00
Total expenses and incentive allocation	2.94%	2.94%	2.94%	2.96%	3.02%	3.05%	2.94%	0.95%
Net investment income/(loss)	(0.35%)	(0.35%)	(0.35%)	(0.37%)	(0.37%)	(0.38%)	(0.35%)	0.02%

(1) Class P ratios and total return information are presented for the period from September 1, 2018 to December 31, 2018 and have not been annualized.

The total return and ratios to average net assets of other series in the same share class may vary based on participation in "new issues" and the timing of capital subscriptions and redemptions. The per share information, total return and ratios to average net assets information include the proportionate share of the Master Partnership's income and expenses. The net investment loss ratio does not include the effect of the incentive allocation.

See attached financial statements of Third Point Offshore Master Fund L.P.

7. Subsequent Events

Subsequent to December 31, 2018, the Fund received approximately \$30.8 million in shareholder subscriptions, of which approximately \$13.8 million was received in advance, and received redemption requests of approximately \$404.0 million for the quarter ended March 31, 2019. Subsequent events were evaluated by the Fund's management through March 18, 2019, which is the date the financial statements were available to be issued.

Subsequent to December 31, 2018, the Partnership began offering new share classes with different liquidity and fee terms. Additionally, certain investors will qualify for management fee reductions based on tenure and size of investment.



THIRD POINT OFFSHORE MASTER FUND L.P.

FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2018

With Report of Independent Auditors

Contents

01	Report of Independent Auditors
02	Statement of Financial Condition
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Ernst & Young LLP
5 Times Square
New York, NY 10036-6530

Tel: +1 212 773 3000
Fax: +1 212 773 6350
ey.com

Report of Independent Auditors

To the General Partner of
Third Point Offshore Master Fund L.P.

We have audited the accompanying financial statements of Third Point Offshore Master Fund L.P., which comprise the statement of financial condition, including the condensed schedule of investments, as of December 31, 2018, and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Third Point Offshore Master Fund L.P. at December 31, 2018, and the results of its operations, the changes in its partners' capital and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 18, 2019

Statement of Financial Condition

December 31, 2018

(Stated in United States Dollars)

\$

Assets

Cash	6,784
Investments in securities, at fair value (cost \$5,301,124,751)	5,476,206,779
Investments in affiliated funds, at fair value (cost \$53,621,550)	83,867,650
Due from brokers	2,468,613,345
Derivative contracts, at fair value (net upfront fees paid and cost of \$32,579,496)	79,330,970
Interest and dividends receivable	11,498,901
Other assets	2,531,311
Total assets	8,122,055,740

Liabilities and Partners' Capital

Liabilities

Securities sold, not yet purchased, at fair value (proceeds \$1,305,236,000)	1,247,592,249
Due to brokers	369,984,146
Derivative contracts, at fair value (net upfront fees received and proceeds of \$2,113,569)	79,155,524
Withdrawals payable to Limited Partner	365,534,193
Interest and dividends payable	2,683,760
Management fee payable	297,249
Accrued expenses	10,403,997
Total liabilities	2,075,651,118

Commitments (See Notes 6 and 10)

Partners' Capital

General Partner's capital	5,440,032
Limited Partner's capital	6,040,964,590
Total Partners' capital	6,046,404,622
Total liabilities and partners' capital	8,122,055,740

See accompanying notes.

Condensed Schedule of Investments

December 31, 2018

(Stated in United States Dollars) Description	Shares	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities			
Equity Securities			
<i>North America:</i>			
Basic Materials		247,931,568	4.10
Consumer, Cyclical		59,068,185	0.98
Consumer, Non-Cyclical			
Baxter International Inc.	11,923,000	784,771,862	12.98
Campbell Soup Company	10,047,900	331,480,221	5.48
Other		818,840,352	13.54
Total Consumer, Non-Cyclical		1,935,092,435	32.00
Financial		246,270,621	4.07
Industrial		168,366,026	2.78
Technology		174,423,478	2.88
Total North America (cost \$2,464,607,543)		2,831,152,313	46.81
<i>Europe:</i>			
Consumer, Non-Cyclical			
Nestle S.A.	7,036,248	571,203,043	9.45
Other		127,660,603	2.11
Total Europe (cost \$718,389,548)		698,863,646	11.56
<i>Latin America and the Caribbean:</i>			
Financial (cost \$18,782,433)		16,931,338	0.28
Total Equity Securities (cost \$3,201,779,524)		3,546,947,297	58.65
Asset-Backed Securities			
<i>North America:</i>			
Aircraft		6,506,731	0.11
Consumer Loan		245,120,781	4.05
Mortgage		557,338,719	9.22
Total North America (cost \$916,779,393)		808,966,231	13.38
<i>Europe:</i>			
Mortgage (cost \$21,411,863)		18,807,017	0.31
<i>Latin America and the Caribbean:</i>			
Mortgage (cost \$2,454,409)		225,412	0.00
Total Asset-Backed Securities (cost \$940,645,665)		827,998,660	13.69

Condensed Schedule of Investments *continued*

December 31, 2018

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)		
Private Preferred Equity Securities		
<i>North America:</i>		
Communications	29,430,599	0.49
Consumer, Cyclical	3,244,900	0.05
Consumer, Non-Cyclical	30,372,424	0.50
Financial	113,509,499	1.88
Technology	164,131,746	2.71
Total North America (cost \$286,139,006)	340,689,168	5.63
<i>Latin America and the Caribbean:</i>		
Consumer, Non-Cyclical	13,200,883	0.22
Technology	64,472,954	1.07
Total Latin America and the Caribbean (cost \$63,511,113)	77,673,837	1.29
<i>Europe:</i>		
Consumer, Non-Cyclical	11,869,712	0.20
Total Private Preferred Equity Securities (cost \$349,650,119)	430,232,717	7.12
Private Common Equity Securities		
<i>North America:</i>		
Communications	554,154	0.01
Consumer, Cyclical	3,694,032	0.06
Consumer, Non-Cyclical	125,279	0.00
Energy	25,724,846	0.43
Financial	13,416,968	0.22
Technology	1,465,045	0.02
Total Private Common Equity Securities (cost \$75,974,946)	44,980,324	0.74
Corporate Bonds		
<i>North America:</i>		
Communications	136,556,110	2.26
Consumer, Cyclical	36,212,010	0.60
Consumer, Non-Cyclical	2,990,051	0.05
Financial	11,321,749	0.19
Technology	2,909,027	0.05
Utilities	97,163,091	1.61
Total North America (cost \$327,871,148)	287,152,038	4.76

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)		
Corporate Bonds (continued)		
<i>Latin America and the Caribbean:</i>		
Energy	16,674,660	0.28
Real Estate	32,290,538	0.53
Total Latin America and the Caribbean (cost \$71,849,015)	48,965,198	0.81
Total Corporate Bonds (cost \$399,720,163)	336,117,236	5.57
Investment Funds		
<i>North America:</i>		
Communications	34,243,561	0.57
Consumer Loan	14,145,134	0.23
Financial	11,981,490	0.20
Litigation Financing	11,840,625	0.20
Middle Market Buy-Out	6,558,047	0.11
Total North America (cost \$99,890,413)	78,768,857	1.31
<i>Latin America and the Caribbean:</i>		
Global Emerging Markets	705,840	0.01
Real Estate	20,594,303	0.34
Total Latin America and the Caribbean (cost \$34,783,913)	21,300,143	0.35
Total Investment Funds (cost \$134,674,326)	100,069,000	1.66
Municipal Bonds		
<i>North America:</i>		
Government	81,311,265	1.34
Total Municipal Bonds (cost \$77,445,604)	81,311,265	1.34
Bank Debt		
<i>North America:</i>		
Communications	41,397,824	0.68
Consumer, Cyclical	16,131,779	0.27
Energy	15,551,594	0.26
Total Bank Debt (cost \$75,306,940)	73,081,197	1.21

Condensed Schedule of Investments *continued*

December 31, 2018

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)		
Real Estate		
<i>North America:</i>		
Commercial	19,280,264	0.32
Total Real Estate (cost \$19,235,312)	19,280,264	0.32
Sovereign Debt		
<i>Latin America and the Caribbean:</i>		
Republic of Argentina	12,367,636	0.20
Total Sovereign Debt (cost \$25,466,395)	12,367,636	0.20
Rights and Warrants		
<i>North America:</i>		
Consumer Loan	2,847,817	0.05
Consumer, Non-Cyclical	11,340	0.00
Technology	4,644	0.00
Total North America (cost \$1,225,757)	2,863,801	0.05
<i>Latin America and the Caribbean:</i>		
Financial	447,275	0.01
Total Rights and Warrants (cost \$1,225,757)	3,311,076	0.06
Trade Claims		
<i>North America:</i>		
Financial	510,107	0.01
Total Trade Claims	510,107	0.01
Total Investments in Securities, at fair value (cost \$5,301,124,751)	5,476,206,779	90.57
Investments in Affiliated Funds		
<i>Europe:</i>		
Multi Strategy (cost \$22,555,424)	47,316,542	0.78
<i>Latin America and the Caribbean:</i>		
Investments in Limited Partnerships (cost \$31,066,126)	36,551,108	0.60
Total Investments in Affiliated Funds (cost \$53,621,550)	83,867,650	1.38

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Securities Sold, not yet Purchased		
Equity Securities		
<i>North America:</i>		
Basic Materials	117,083,821	1.94
Communications	149,962,213	2.48
Consumer, Cyclical	105,147,954	1.74
Consumer, Non-Cyclical	82,854,879	1.37
Financial	118,031,583	1.95
Indices	132,449,056	2.19
Industrial	292,507,617	4.84
Technology	15,622,691	0.26
Total North America (proceeds \$1,062,979,914)	1,013,659,814	16.77
<i>Europe:</i>		
Consumer, Non-Cyclical	47,231,837	0.78
Industrial	37,549,016	0.62
Total Europe (proceeds \$95,997,312)	84,780,853	1.40
<i>Latin America and the Caribbean:</i>		
Consumer, Cyclical (proceeds \$45,996,611)	49,495,126	0.82
Total Equity Securities (proceeds \$1,204,973,837)	1,147,935,793	18.99
Corporate Bonds		
<i>North America:</i>		
Communications	15,283,251	0.25
Consumer, Cyclical	12,877,327	0.21
Consumer, Non-Cyclical	6,354,772	0.11
Energy	4,828,808	0.08
Industrial	11,616,000	0.19
Technology	9,722,279	0.16
Total North America (proceeds \$61,500,282)	60,682,437	1.00
<i>Europe:</i>		
Consumer, Cyclical	7,092,652	0.12
Consumer, Non-Cyclical	7,730,086	0.13
Total Europe (proceeds \$14,992,993)	14,822,738	0.25

Condensed Schedule of Investments *continued*

December 31, 2018

(Stated in United States Dollars)	Fair Value	Percentage
Description	\$	of Partners' Capital %
Securities Sold, not yet Purchased (continued)		
Corporate Bonds (continued)		
<i>Asia-Pacific:</i>		
Financial (proceeds \$8,684,360)	8,697,219	0.14
Total Corporate Bonds (proceeds \$85,177,635)	84,202,394	1.39
Options		
<i>North America:</i>		
Communications	2,362,313	0.04
Consumer, Non-Cyclical	2,317,346	0.04
Industrial	298,620	0.00
Total North America (proceeds \$4,819,116)	4,978,279	0.08
<i>Europe:</i>		
Industrial (proceeds \$10,265,412)	10,475,783	0.17
Total Options (proceeds \$15,084,528)	15,454,062	0.25
Total Securities Sold, not yet Purchased (proceeds \$1,305,236,000)	1,247,592,249	20.63
Derivative Contracts		
Contracts for Differences – Long Contracts		
<i>Europe:</i>		
Industrial	(34,002,222)	(0.56)
Utilities	(3,950,187)	(0.07)
Total Europe	(37,952,409)	(0.63)
<i>Latin America and the Caribbean:</i>		
Communications	(196,404)	(0.00)
Total Contracts for Differences – Long Contracts	(38,148,813)	(0.63)
Contracts for Differences – Short Contracts		
<i>Asia-Pacific:</i>		
Consumer, Non-Cyclical	3,751,142	0.06
Financial	(154,273)	(0.00)
Industrial	3,855,369	0.06
Technology	12,460,072	0.21
Total Asia-Pacific	19,912,310	0.33
<i>Europe:</i>		
Communications	(485,244)	(0.01)
Consumer, Cyclical	6,890,109	0.11
Industrial	1,265,203	0.02
Technology	104,644	0.00
Total Europe	7,774,712	0.12

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Derivative Contracts (continued)		
Contracts for Differences – Short Contracts (continued)		
<i>North America:</i>		
Equity Swap Basket	588,090	0.01
Indices	(1,323,815)	(0.02)
Total North America	(735,725)	(0.01)
Total Contracts for Differences – Short Contracts	26,951,297	0.44
Credit Default Swaps—Protection Purchased		
<i>North America:</i>		
Asset-Backed Securities Index	34,778,999	0.58
Communication	201,298	0.00
Consumer, Cyclical	3,097,562	0.05
Financial	(233,825)	(0.00)
Total Credit Default Swaps – Protection Purchased (net upfront fees paid \$31,496,190)	37,844,034	0.63
Credit Default Swaps – Protection Sold		
<i>North America:</i>		
Asset-Backed Securities	(5,781,814)	(0.10)
Communications	(1,188,061)	(0.02)
Total Credit Default Swaps – Protection Sold (net upfront fees received \$1,910,348)	(6,969,875)	(0.12)
Foreign Currency Forward Contracts		
Buy United States Dollar, Sell Chinese Yuan	(11,010)	(0.00)
Buy United States Dollar, Sell Hong Kong Dollar	2,041,357	0.03
Buy United States Dollar, Sell Saudi Riyal	(265,222)	(0.00)
Buy United States Dollar, Sell Swiss Franc	(1,269,662)	(0.02)
Total Foreign Currency Forward Contracts	495,463	0.01
Interest Rate Swaptions		
<i>North America:</i>		
US Dollar Libor	1,665,642	0.03
Total Interest Rate Swaptions (cost \$880,085)	1,665,642	0.03

Condensed Schedule of Investments *continued*

December 31, 2018

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
Derivative Contracts (continued)		
Sovereign Futures – Short Contracts		
<i>North America:</i>		
Commodities	(1,925,721)	(0.03)
Total Sovereign Futures – Short Contracts	(1,925,721)	(0.03)
Total Return Swaps – Long Contracts		
<i>North America:</i>		
Equity Swap Basket	(19,484,411)	(0.32)
Financial	47,694	0.00
Total Total Return Swaps – Long Contracts	(19,436,717)	(0.32)
Total Return Swaps – Short Contracts		
<i>North America:</i>		
Equity Swap Basket	(28,428)	(0.00)
<i>Asia-Pacific:</i>		
Communications	(454,696)	(0.01)
Financial	(161,307)	(0.00)
Industrial	344,567	0.01
Total Asia-Pacific	(271,436)	(0.00)
Total Total Return Swaps – Short Contracts	(299,864)	(0.00)
Net Derivative Contracts (including net upfront fees received and proceeds of \$30,465,927)	175,446	0.01

See accompanying notes.

Statement of Operations

Year ended December 31, 2018

(Stated in United States Dollars)

\$

Realized and unrealized gain/(loss) on investment transactions

Net realized gain from securities and foreign currency translations	180,901,952
Net realized gain from affiliated funds and foreign currency translations	10,572,576
Net realized gain from derivative contracts and foreign currency translations	97,417,669
Net change in unrealized gain on securities and foreign currency translations	(953,017,662)
Net change in unrealized gain on affiliated funds and foreign currency translations	(19,752,822)
Net change in unrealized gain on derivative contracts and foreign currency translations	(114,490,821)
Net gain from currencies	6,183,801
Net realized and unrealized loss from investment transactions	(792,185,307)

Investment income

Interest	114,339,463
Dividends, net of withholding taxes of \$26,736,930	60,494,719
Stock loan fees	13,180,791
Other	2,665,484
Total investment income	190,680,457

Expenses

Management fee	147,335,071
Dividends on securities sold, not yet purchased	22,663,317
Interest	18,904,067
Administrative and professional fees	18,689,267
Research fees	7,223,000
Stock borrow fees	1,025,278
Other	278,088
Total expenses	216,118,088
Net investment loss	(25,437,631)
Net loss	(817,622,938)

See accompanying notes.

Statement of Changes in Partners' Capital

Year ended December 31, 2018

	Total \$	General Partner \$	Limited Partner \$
<i>(Stated in United States Dollars)</i>			
Partners' capital at beginning of year	7,485,191,733	4,757,599	7,480,434,134
Capital contributions	607,401,963	–	607,401,963
Capital withdrawals	(1,228,566,136)	–	(1,228,566,136)
Allocation of net loss:			
Pro-rata allocation	(817,622,938)	(587,906)	(817,035,032)
Incentive allocation	–	1,270,339	(1,270,339)
Net loss	(817,622,938)	682,433	(818,305,371)
Partners' capital at end of year	6,046,404,622	5,440,032	6,040,964,590

See accompanying notes.

Statement of Cash Flows

Year ended December 31, 2018

(Stated in United States Dollars)

\$

Cash flows from operating activities

Net loss	(817,622,938)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Purchases of investment securities	(8,995,283,506)
Proceeds from disposition of investment securities	11,024,704,876
Purchases of investment securities to cover short sales	(3,549,447,591)
Proceeds from short sales of investment securities	3,677,064,081
Purchases of affiliated funds	(985,724)
Proceeds from disposition of affiliated funds	44,195,340
Purchases of derivative contracts	(13,613,381)
Proceeds from disposition of derivative contracts	171,719,020
Net realized gain from securities and foreign currency translations	(180,901,952)
Net realized gain from affiliated funds and foreign currency translations	(10,572,576)
Net realized gain from derivative contracts and foreign currency translations	(97,417,669)
Net change in unrealized gain on securities and foreign currency translations	953,017,662
Net change in unrealized gain on affiliated funds and foreign currency translations	19,752,822
Net change in unrealized gain on derivative contracts and foreign currency translations	114,490,821
Amortization of premium and accretion of discount, net	3,530,149
Changes in operating assets and liabilities:	
Increase in due from brokers	(1,196,894,067)
Increase in interest and dividends receivable	(2,555,944)
Decrease in other assets	3,142,777
Decrease in securities sold under an agreement to repurchase	(55,801,239)
Decrease in due to brokers	(188,102,255)
Decrease in interest and dividends payable	(421,101)
Increase in management fee payable	135,071
Decrease in accrued expenses	(5,977,576)
Net cash provided by operating activities	896,155,100

Cash flows from financing activities

Capital contributions	607,401,963
Capital withdrawals	(1,503,559,034)
Net cash used in financing activities	(896,157,071)
Net increase in cash	(1,971)
Cash at beginning of year	8,755
Cash at end of year	6,784

Supplemental disclosure of cash flow information

Cash paid during the year for interest	19,706,520
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See accompanying notes.

Notes to Financial Statements

Year ended December 31, 2018

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 Third 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 December 31, 2018, approximately 99.91% 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 Statement 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 funds, derivative contracts and foreign currency translations in the Statement 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 financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and are expressed in United States dollars. 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 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 Partnership’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”

2. Significant Accounting Policies (continued)

threshold would be recorded as a tax expense in the current year. 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.

The Partnership would recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Operations. During the year ended December 31, 2018, 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. These agreements are collateralized primarily by debt securities. The Partnership did not hold any repurchase or reverse repurchase agreements as of December 31, 2018. Interest expense and income related to repurchase and reverse repurchase agreements held during the year are included in the Statement of Operations. Generally, repurchase and reverse repurchase agreements that the Partnership enters into mature within 30 to 90 days.

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 Statement of Financial Condition. As of December 31, 2018, the Partnership had \$27,711,600 of securities loaned. Any collateral received is reflected in due to brokers in the Statement of Financial Condition.

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.

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 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.

Notes to Financial Statements continued

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

The following table presents the remaining contractual maturity of the securities lending transactions by class of collateral received as of December 31, 2018:

Securities lending transactions	Overnight and Continuous \$	Up to 30 days \$	30 -90 days \$	Greater than 90 days \$	Total \$
U.S. Treasury securities	28,089,814	–	–	–	28,089,814

The preparation of financial statements in conformity with U.S. GAAP 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 these 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 reviewed 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 year. 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 \$826.6 million, or approximately 15% of the Partnership's investments in securities, affiliated funds and derivative assets, and approximately \$5.8 million, or approximately 0.5% of securities sold, not yet purchased and derivative liabilities, 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 year, 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, revenue projections and other factors. In addition, the Investment Manager employs third party valuation firms to conduct separate valuations of such 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 December 31, 2018, the Partnership had approximately \$557.5 million of investments fair valued by the Investment Manager, representing approximately 10% of investments in securities, affiliated funds and derivative contracts, of which approximately 98% were separately valued by third party valuation firms. The resulting unrealized gains and losses are reflected in the Statement of Operations.

2. Significant Accounting Policies (continued)

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 December 31, 2018, 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 vendors, 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 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 year ended December 31, 2018, the Partnership received \$3,433,862 of distributions relating to the investment funds' underlying investments.

Investments in affiliated funds are recorded at fair value in accordance with the valuation policies discussed above. Investments in affiliated funds 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 changes in foreign exchange rates on investments, investments in affiliated funds and derivative contracts from the fluctuations arising from changes in market values of investments, investments in affiliated funds and derivative contracts. Such fluctuations are included within net realized gain/(loss) on securities,

Notes to Financial Statements *continued*

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

affiliated funds, derivative contracts and foreign currency translations and net change in unrealized gain/(loss) on securities, affiliated funds, derivative contracts and foreign currency translations in the Statement 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 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 the practical expedient.

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.

2. Significant Accounting Policies (continued)

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.

Notes to Financial Statements continued

Year ended December 31, 2018

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 December 31, 2018:

Fair Value Measurements at December 31, 2018

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Assets				
Equity Securities				
Basic Materials	247,931,568	—	—	247,931,568
Consumer, Cyclical	59,068,185	—	—	59,068,185
Consumer, Non-Cyclical	2,633,956,081	—	—	2,633,956,081
Financial	263,201,959	—	—	263,201,959
Industrial	168,366,026	—	—	168,366,026
Technology	174,423,478	—	—	174,423,478
Total Equity Securities	3,546,947,297	—	—	3,546,947,297
Asset-Backed Securities				
Aircraft	—	6,506,731	—	6,506,731
Consumer Loan	—	212,361,784	32,758,997	245,120,781
Mortgage	—	535,758,455	40,612,693	576,371,148
Total Asset-Backed Securities	—	754,626,970	73,371,690	827,998,660
Private Preferred Equity Securities				
Communications	—	—	29,430,599	29,430,599
Consumer, Cyclical	—	—	3,244,900	3,244,900
Consumer, Non-Cyclical	—	—	55,443,019	55,443,019
Financial	—	—	113,509,499	113,509,499
Technology	—	—	228,604,700	228,604,700
Total Private Preferred Equity Securities	—	—	430,232,717	430,232,717
Private Common Equity Securities				
Communications	—	—	554,154	554,154
Energy	—	25,724,846	—	25,724,846
Financial	—	—	13,416,968	13,416,968
Technology	—	—	1,465,045	1,465,045
Consumer, Non-Cyclical	—	—	125,279	125,279
Consumer, Cyclical	—	—	3,694,032	3,694,032
Total Private Common Equity Securities	—	25,724,846	19,255,478	44,980,324

2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Corporate Bonds				
Communications	–	136,556,110	–	136,556,110
Consumer, Cyclical	–	36,212,010	–	36,212,010
Consumer, Non-Cyclical	–	381,032	2,609,019	2,990,051
Energy	–	16,674,660	–	16,674,660
Financial	–	11,027,599	294,150	11,321,749
Real Estate	–	–	32,290,538	32,290,538
Technology	–	1,925,970	983,057	2,909,027
Utilities	–	97,163,091	–	97,163,091
Total Corporate Bonds	–	299,940,472	36,176,764	336,117,236
Municipal Bonds				
Government	–	79,779,825	1,531,440	81,311,265
Total Municipal Bonds	–	79,779,825	1,531,440	81,311,265
Bank Debt				
Communications	–	41,397,824	–	41,397,824
Consumer, Cyclical	–	14,543,333	1,588,446	16,131,779
Energy	–	15,551,594	–	15,551,594
Total Bank Debt	–	71,492,751	1,588,446	73,081,197
Real Estate				
Commercial	–	–	19,280,264	19,280,264
Total Real Estate	–	–	19,280,264	19,280,264
Sovereign Debt				
Republic of Argentina	–	–	12,367,636	12,367,636
Total Sovereign Debt	–	–	12,367,636	12,367,636
Rights and Warrants				
Consumer Loan	–	–	2,847,817	2,847,817
Consumer, Non-Cyclical	–	–	11,340	11,340
Financial	447,275	–	–	447,275
Technology	–	–	4,644	4,644
Total Rights and Warrants	447,275	–	2,863,801	3,311,076
Trade Claims				
Financial	–	510,107	–	510,107
Total Trade Claims	–	510,107	–	510,107
Investments in Affiliated Funds				
Multi-Strategy	47,316,542	–	–	47,316,542
Total Investments in Affiliated Funds	47,316,542	–	–	47,316,542

Notes to Financial Statements continued

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Derivative Contracts⁽¹⁾				
Contracts for Differences – Short Contracts				
Communications	–	134,398	–	134,398
Consumer, Non-Cyclical	–	5,186,030	–	5,186,030
Consumer, Cyclical	–	7,137,516	–	7,137,516
Equity Swap Basket	–	2,972,191	–	2,972,191
Industrial	–	5,803,691	–	5,803,691
Technology	–	14,205,794	–	14,205,794
Total Contracts for Differences – Short Contracts	–	35,439,620	–	35,439,620
Credit Default Swaps – Protection Purchased				
Asset-Backed Securities Index	–	–	34,817,724	34,817,724
Communications	–	201,298	–	201,298
Consumer, Cyclical	–	3,097,562	–	3,097,562
Total Credit Default Swaps – Protection Purchased	–	3,298,860	34,817,724	38,116,584
Foreign Currency Forward Contracts				
Buy United States Dollar, Sell Hong Kong Dollar	–	2,656,045	–	2,656,045
Total Foreign Currency Forward Contracts	–	2,656,045	–	2,656,045
Interest Rate Swaptions				
US Dollar Libor	–	2,345,700	–	2,345,700
Total Interest Rate Swaptions	–	2,345,700	–	2,345,700
Total Return Swaps – Long Contracts				
Equity Swap Basket	–	182,702	–	182,702
Financial	–	–	47,694	47,694
Total Total Return Swaps – Long Contracts	–	182,702	47,694	230,396
Total Return Swaps – Short Contracts				
Industrial	–	542,625	–	542,625
Total Total Return Swaps – Short Contracts	–	542,625	–	542,625
Subtotal	3,594,711,114	1,276,540,523	631,533,654	5,502,785,291
Investments in Funds valued at NAV				136,620,108
Total Investments in Securities, Affiliated Funds, and Derivative Contracts				5,639,405,399

2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Liabilities				
Equity Securities				
Basic Materials	117,083,821	–	–	117,083,821
Communications	149,962,213	–	–	149,962,213
Consumer, Cyclical	154,643,080	–	–	154,643,080
Consumer, Non-Cyclical	130,086,716	–	–	130,086,716
Financial	118,031,583	–	–	118,031,583
Indices	132,449,056	–	–	132,449,056
Industrial	330,056,633	–	–	330,056,633
Technology	15,622,691	–	–	15,622,691
Total Equity Securities	1,147,935,793	–	–	1,147,935,793
Corporate Bonds				
Communications	–	15,283,251	–	15,283,251
Consumer, Cyclical	–	19,969,979	–	19,969,979
Consumer, Non-Cyclical	–	14,084,858	–	14,084,858
Energy	–	4,828,808	–	4,828,808
Financial	–	8,697,219	–	8,697,219
Industrial	–	11,616,000	–	11,616,000
Technology	–	9,722,279	–	9,722,279
Total Corporate Bonds	–	84,202,394	–	84,202,394
Options				
Communications	–	2,362,313	–	2,362,313
Consumer, Non-Cyclical	–	2,317,346	–	2,317,346
Industrial	–	10,774,403	–	10,774,403
Total Options	–	15,454,062	–	15,454,062
Derivative Contracts⁽¹⁾				
Contracts for Differences – Long Contracts				
Communications	–	196,404	–	196,404
Industrial	–	34,002,222	–	34,002,222
Utilities	–	3,950,187	–	3,950,187
Total Contracts for Differences – Long Contracts	–	38,148,813	–	38,148,813
Contracts for Differences – Short Contracts				
Communications	–	619,642	–	619,642
Consumer, Cyclical	–	247,407	–	247,407
Consumer, Non-Cyclical	–	1,434,888	–	1,434,888
Equity Swap Basket	–	2,384,101	–	2,384,101
Financial	–	154,273	–	154,273
Indices	–	1,323,815	–	1,323,815

Notes to Financial Statements continued

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Contracts for Differences – Short Contracts (continued)				
Industrial	–	683,119	–	683,119
Technology	–	1,641,078	–	1,641,078
Total Contracts for Differences – Short Contracts	–	8,488,323	–	8,488,323
Credit Default Swaps – Protection Purchased				
Asset-Backed Securities Index	–	–	38,725	38,725
Financial	–	233,825	–	233,825
Total Credit Default Swaps – Protection Purchased	–	233,825	38,725	272,550
Credit Default Swaps – Protection Sold				
Asset-Backed Securities	–	–	5,781,814	5,781,814
Communications	–	1,188,061	–	1,188,061
Total Credit Default Swaps – Protection Sold	–	1,188,061	5,781,814	6,969,875
Foreign Currency Forward Contracts				
Buy United States Dollar, Sell Chinese Yuan	–	11,010	–	11,010
Buy United States Dollar, Sell Hong Kong Dollar	–	614,688	–	614,688
Buy United States Dollar, Sell Saudi Riyal	–	265,222	–	265,222
Buy United States Dollar, Sell Swiss Franc	–	1,269,662	–	1,269,662
Total Foreign Currency Forward Contracts	–	2,160,582	–	2,160,582
Interest Rate Swaptions				
US Dollar Libor	–	680,058	–	680,058
Total Interest Rate Swaptions	–	680,058	–	680,058
Sovereign Futures – Short Contracts				
Commodities	1,925,721	–	–	1,925,721
Total Sovereign Futures – Short Contracts	1,925,721	–	–	1,925,721
Total Return Swaps – Long Contracts				
Equity Swap Basket	–	19,667,113	–	19,667,113
Total Total Return Swaps – Long Contracts	–	19,667,113	–	19,667,113
Total Return Swaps – Short Contracts				
Communications	–	454,696	–	454,696
Equity Swap Basket	–	28,428	–	28,428
Financial	–	161,307	–	161,307
Industrial	–	198,058	–	198,058
Total Total Return Swaps – Short Contracts	–	842,489	–	842,489
Total Securities Sold, not yet Purchased and Derivative Contracts	1,149,861,514	171,065,720	5,820,539	1,326,747,773

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

2. Significant Accounting Policies (continued)

The following table is a summary of transactions relating to assets and liabilities the Partnership held during the year ended December 31, 2018 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 \$
Assets			
Asset-Backed Securities	34,164,296	(8,566,579)	137,562,572
Private Preferred Equity Securities	—	—	39,500,243
Private Common Equity Securities	—	—	416,399
Corporate Bonds	—	—	8,376,010
Municipal Bonds	—	—	1,070,590
Bank Debt	—	—	1,588,446
Sovereign Debt	38,239,520	—	1,198,339
Rights and Warrants	—	—	1,561,050
Credit Default Swaps - Protection Purchased	20,778,859	—	—
Future Options - Short Contracts	—	—	125,706
Total Assets	93,182,675	(8,566,579)	191,399,355
Liabilities			
Credit Default Swaps - Protection Purchased	25,363	—	—
Total Liabilities	25,363	—	—

During 2018, assets were transferred into Level 3 due to lack of observable inputs and assets were transferred out of Level 3 due to newly available observable inputs.

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

Notes to Financial Statements *continued*

Year ended December 31, 2018

2. Significant Accounting Policies (continued)

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 latest rounds of financing and third party pricing information without adjustment.

	Fair Value \$	Valuation Techniques	Unobservable Input	Range
Private Equity Investments	237,756,951	Market Approach	Volatility	35-50%
			Discount	4.5-12.0%
			Time to exit	0.75-4 years
			Multiples	6.5-21.7x
Real Estate	19,280,264	Discounted Cash Flow	Discount	9.50%
			Capitalization rate	6.75
Rights and Warrants	2,847,817	Discounted Cash Flow	Volatility	50-60%
			Discount	15.0%-17.0%
			Time to exit	1.25-2.75 years
			Multiples	2.50-10x
Corporate Bonds	2,609,019	Discounted Cash Flow	Discount	10.0%-12.0%
			Time to exit	1-2 years

In January 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”). The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. One of the amendments in this update eliminates the requirement to disclose fair value of financial instruments not recognized at fair value in the Statement of Financial Condition for entities that do not meet the definition of a public business entity. The amended guidance is effective for fiscal years beginning after December 15, 2018, however early adoption is permitted. The Partnership early adopted the amendments in this update related to the elimination of the fair value disclosure of financial instruments not recognized at fair value in 2017. The adoption did not have a material impact on the Partnership’s financial statements. The adoption of the remaining amendments of ASU 2016-01 is not expected to have a material impact on the Partnership’s financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*. ASU 2016-18 clarifies the presentation of restricted cash in the Statement of Cash Flows by requiring the amounts described as restricted cash be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the Statement of Cash Flows. If cash and cash equivalents and restricted cash are presented separately in the Statement of Financial Condition, a reconciliation of these separate line items to the total cash amount included in the Statement of Cash Flows will be required either in the footnotes or on the face of the Statement of Cash Flows. The guidance is effective for the Partnership on January 1, 2019. Early adoption is permitted. The Partnership is currently evaluating the implications of ASU 2016-18 and its impact on the financial statements.

ASU 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* was issued in August 2018 and is effective for all entities for

2. Significant Accounting Policies (continued)

fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the requirements. For the year ended December 31, 2018, the Partnership has chosen to early adopt certain provisions of the standard which primarily eliminates or modifies the amount of disclosure associated with level 3 portfolio investments. Specifically, the standard has eliminated the requirement for the Partnership to present a full reconciliation of Level 3 investments and instead requires the Partnership to disclose a summary of certain transactions related to Level 3 investments.

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 year ended December 31, 2018, the Administrator received a fee of \$5,044,020.

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.

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 December 31, 2018, the Partnership's due to brokers includes a total non-U.S. currency payable balance of \$3,709,862.

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 year.

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.

Notes to Financial Statements *continued*

Year ended December 31, 2018

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 and H shares of the Feeder and 25% of the net profit allocated to each shareholder invested in each series of Class J of the Feeder, 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 year ended December 31, 2018, the General Partner received an incentive allocation of \$1,270,339.

6. Related Party Transactions

Pursuant to the investment management agreement, the Partnership pays the Investment Manager a management fee equal to 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 or the General Partner. For the year ended December 31, 2018, the management fee was \$147,335,071, of which \$297,249 was payable at December 31, 2018.

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 year ended December 31, 2018, \$170,880 of directors’ fees were treated as an offset against the management fee.

For the year ended December 31, 2018, the Investment Manager paid \$2,248,454 of expenses on behalf of the Partnership, which are included in administrative and professional fees, research fees, and other expenses in the Statement of Operations. The amounts are non-interest bearing and have been reimbursed by the Partnership through distributions of current income and distributions of proceeds.

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. As of December 31, 2018, the estimated fair value of the investment in the limited partnership was \$677,839. The Partnership received net distributions of \$1,992,295 from Cayman HoldCo and realized gains of \$769,512 during the year ended December 31, 2018 due to the disposition of underlying investments. The Partnership’s pro rata interest in the investments of LuxCo and the related income and expense are reflected accordingly in the Statement of Financial Condition, the underlying Condensed Schedule of Investments and the Statement

6. Related Party Transactions (continued)

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 Cloudbreak II Cayman Ltd, Cloudbreak II US LLC (collectively, the "Cloudbreak entities") and TP Trading II LLC which are affiliates of the Investment Manager. The Partnership invests in the Cloudbreak entities and TP Trading II LLC alongside other investment funds managed by the Investment Manager. These entities are invested in a structure whose primary purpose is to purchase consumer loans and warrants from a marketplace lending platform. At December 31, 2018, the Cloudbreak entities held \$6,952,025 of the Partnership's asset-backed security investments and TP Trading II LLC held \$14,145,134 of investment in a fund, which are included in investments in securities, at fair value in the Statement of Financial Condition. Additionally, TP Trading II LLC holds an equity investment of \$11,946,027 in a private health care company which is also included in investments in securities, at fair value in the Statement of Financial Condition. The Partnership's pro rata interests in the underlying investments are registered in the name of Cloudbreak II US LLC and TP Trading II LLC, respectively, and the related income and expenses are reflected in the Statement 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 December 31, 2018, Cloudbreak Aggregator LP held \$11,981,489 of the Partnership's investments in limited partnerships which are included in investments in securities, at fair value in the Statement of Financial Condition. The related income and expenses are reflected in the Statement 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 \$206,940,438. 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 December 31, 2018, the Partnership held seven affiliated special purpose vehicles (the "SPVs"), including the Cloudbreak entities, TP Trading II LLC and Cloudbreak Aggregator L.P. 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 expenses are reflected in the Statement of Financial Condition, the underlying Condensed Schedule of Investments and the Statement of Operations. As of December 31, 2018, the total fair value of the investments held by the SPVs was \$137,542,326. 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.

Notes to Financial Statements *continued*

Year ended December 31, 2018

6. Related Party Transactions (continued)

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 December 31, 2018, Loan LLC held \$308,734,316 and Ventures LLC held \$305,955,890 of the Partnership’s investments which are included in investments in securities in the Statement 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 in the Statement of Financial Condition, Condensed Schedule of Investments, and the Statement 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.

At December 31, 2018, the Partnership held shares of Third Point Offshore 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. At December 31, 2018, the Partnership owned 3,379,753 U.S. Dollar Shares of ListCo with a total market value of \$47,316,542 and an unrealized gain of \$24,761,118 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 \$69,664,236 to the Hellenic Fund, of which nothing was called and \$77,338 was distributed during the year ended December 31, 2018. The distributions received by the Partnership during the year were treated as a return of capital and included in net change in unrealized gain on affiliated funds and foreign currency translations in the Statement of Operations. As of December 31, 2018, the Partnership’s remaining unfunded commitment to the Hellenic Fund was \$20,737,246. As of December 31, 2018, the estimated fair value of the investment in the Hellenic Fund was \$35,873,269. The valuation policy with respect to this investment in a limited partnership is further described in Note 2.

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 Statement of Financial Condition.

Securities sold, not yet purchased are recorded as liabilities in the Statement 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 Statement 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.

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

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.

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 Statement 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 December 31, 2018, the portfolio had a maximum payout amount of \$74,914,529 relating to written put equity option contracts with expiration dates between 1 and 2 months from the Statement 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 the written put equity options as of December 31, 2018 is \$11,346,091 and is included in securities sold, not yet purchased in the Statement 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 and total return basket swaps, contracts for differences, index swaps, and interest rate swaps 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 no 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.

Notes to Financial Statements *continued*

Year ended December 31, 2017

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

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 spreads and longer expiration dates would indicate the opposite and lowers the likelihood the Partnership needs to pay the buyer of protection. At December 31, 2018 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 December 31, 2018:

Credit Spreads on underlying (basis points)	Maximum Payout/ Notional Amount (by period of expiration)			Fair Value of Written Credit Derivatives ⁽²⁾		
	0-5 years \$	5 years or Greater Expiring Through 2047 \$	Total Written Credit Default Swaps ⁽¹⁾ \$	Asset \$	Liability \$	Net Asset/ (Liability) \$
Single name (0-5,000)	5,379,062	8,150,805	13,529,867	–	6,969,875	(6,969,875)

(1) As of December 31, 2018, the Partnership 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 December 31, 2018. 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 Statement of Financial Condition. At December 31, 2018, the Partnership's maximum counterparty credit risk exposure was \$79,330,970.

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, options, futures, 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.

8. Derivative Contracts (continued)

The following table identifies the volume and fair value amounts of derivative instruments included in derivative contracts in the Statement of Financial Condition, categorized by primary underlying risk, as of December 31, 2018. Balances are presented on a gross basis, prior to the application of the impact of counterparty netting.

As of December 31, 2018			
	Listing currency ⁽¹⁾	Fair Value ⁽²⁾ \$	Notional Amounts ⁽³⁾ \$
Derivative Assets by Primary Underlying Risk			
Credit			
Credit Default Swaps – Protection Purchased	USD	38,116,584	225,980,375
Equity Price			
Contracts for Differences – Short Contracts	CHF/EUR/JPY/SEK/USD	35,439,620	358,520,518
Total Return Swaps – Long Contracts	USD	230,396	102,941,478
Total Return Swaps – Short Contracts	JPY	542,625	5,247,160
Foreign Currency Exchange Rates			
Foreign Currency Forward Contracts	HKD	2,656,045	54,473,157
Interest Rates			
Interest Rate Swaptions	USD	2,345,700	1,260,012,700
Total Derivative Assets		79,330,970	2,007,175,388
Derivative Liabilities by Primary Underlying Risk			
Credit			
Credit Default Swaps – Protection Purchased	USD	272,550	14,189,481
Credit Default Swaps – Protection Sold	USD	6,969,875	13,529,866
Equity Price			
Contracts for Differences – Long Contracts	EUR/USD	38,148,813	233,971,761
Contracts for Differences – Short Contracts	AUD/CHF/EUR/JPY/USD	8,488,323	281,121,664
Total Return Swaps – Long Contracts	USD	19,667,113	634,892,160
Total Return Swaps – Short Contracts	AUD/JPY/USD	842,489	32,740,951
Options Contracts – Sold	EUR/USD	15,454,062	164,884,579
Foreign Currency Exchange Rates			
Foreign Currency Forward Contracts	CHF/CNH/HKD/SAR	2,160,582	1,342,291,052
Interest Rates			
Interest Rate Swaptions	USD	680,058	1,258,347,058
Sovereign Futures – Short Contracts	USD	1,925,721	54,021,323
Total Derivative Liabilities		94,609,586	4,029,989,895

(1) AUD = Australian Dollar, CHF = Swiss Franc, CNH = Chinese Yuan, EUR = Euro, 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 liabilities of \$15.45 million 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 December 31, 2018, which is representative of the volume of derivatives held during the year.

Notes to Financial Statements *continued*

Year ended December 31, 2018

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 year ended December 31, 2018. These realized and unrealized gains/(losses) are included in net realized and net change in unrealized gain/loss from securities, affiliated funds, derivative contracts and foreign currency translations in the Statement of Operations.

	Realized Gain/(Loss) \$	Net Change in Unrealized Gain/(Loss) \$
Primary Underlying Risk		
Commodity Price		
Options Contracts – Purchased	(18,436,875)	–
Credit		
Credit Default Swaps – Protection Purchased	(4,248,024)	6,159,133
Credit Default Swaps – Protection Sold	3,920,120	(3,370,033)
Total Return Swaps – Long Contracts	10,526,467	(6,086,807)
Equity Price		
Contracts for Differences – Long Contracts	47,512,060	(79,129,600)
Contracts for Differences – Short Contracts	38,653,203	14,198,604
Total Return Swaps – Long Contracts	35,434,877	(68,915,048)
Total Return Swaps – Short Contracts	(39,023,194)	5,392,497
Options Contracts – Purchased	2,038,291	887,110
Options Contracts – Sold	11,026,660	(283,041)
Index		
Options Contracts – Purchased	(32,025,694)	(371,312)
Options Contracts – Sold	33,084,884	(1,126,486)
Interest Rates		
Interest Rate Swaptions	(4,629,439)	4,524,194
Sovereign Futures – Long Contracts	2,113,600	–
Sovereign Futures – Short Contracts	(856,773)	(1,925,721)
Sovereign Future Options – Long Contracts	1,194,866	–
Sovereign Future Options – Short Contracts	154,258	–
Foreign Currency Exchange Rates		
Foreign Currency Forward Contracts	(6,059,978)	14,661,960
Foreign Currency Future Options – Purchased	(320,913)	–
Foreign Currency Options – Purchased	15,307,592	–
Foreign Currency Options – Sold	(2,261,053)	–
Total	93,104,935	(115,384,550)

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 year ended December 31, 2018, no termination events were triggered under the ISDA Master Agreements. As of December 31, 2018, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position is \$50,371,937, for which the Partnership has posted \$230,637,973 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 \$6,262,372 in the form of cash from certain counterparties as of December 31, 2018. If the credit-risk-related contingent features underlying these instruments had been triggered as of December 31, 2018 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 Statement 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.

Notes to Financial Statements *continued*

Year ended December 31, 2018

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 Statement of Financial Condition on a gross basis. As of December 31, 2018, the gross and net amounts of derivative instruments, repurchase agreements and the cash collateral applicable to derivative instruments were as follows:

Financial Assets, Derivative Assets and Collateral received by Counterparty:

Derivative Contracts	Gross Amounts of Assets Presented in the Statement of Financial Condition \$	Financial Instruments \$	Cash Collateral Received \$	Net Amount \$
Counterparty 1	2,014,685	–	1,482,372	532,313
Counterparty 2	11,446,757	11,446,757	–	–
Counterparty 3	14,650,277	1,803,774	–	12,846,503
Counterparty 4	12,967,376	9,020,863	–	3,946,513
Counterparty 5	20,647,387	16,458,296	–	4,189,091
Counterparty 6	7,180,724	211,011	–	6,969,713
Counterparty 8	5,223,736	5,223,736	–	–
Counterparty 9	73,212	73,212	–	–
Counterparty 10	184,622	–	–	184,622
Counterparty 14	4,942,194	–	1,310,000	3,632,194
Total	79,330,970	44,237,649	2,792,372	32,300,949

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 ⁽¹⁾ \$	Financial Instruments \$	Cash Collateral Pledged \$	Net Amount \$
Counterparty 2	17,338,828	11,446,757	5,892,071	–
Counterparty 3	1,803,774	1,803,774	–	–
Counterparty 4	9,020,863	9,020,863	–	–
Counterparty 5	16,458,296	16,458,296	–	–
Counterparty 6	211,011	211,011	–	–
Counterparty 8	24,551,867	5,223,736	–	19,328,131
Counterparty 9	25,224,947	73,212	25,151,735	–
Total	94,609,586	44,237,649	31,043,806	19,328,131

Loaned Securities

Counterparty 3	27,711,600	27,711,600	–	–
Total	27,711,600	27,711,600	–	–

(1) 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 \$15.45 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 these indemnifications would be reflected in administrative and professional fees in the Statement of Operations. The Partnership did not incur any expenses related to indemnifications for the year ended December 31, 2018.

10. Commitments

Investment fund interests purchased by the Partnership may include financing commitments obligating the Partnership to advance additional amounts on demand. At December 31, 2018, the Partnership had unfunded capital commitments of \$230,297,965.

Notes to Financial Statements *continued*

Year ended December 31, 2018

11. Financial Highlights

The following represents the ratios to average Feeder capital and total return information for the year ended December 31, 2018:

Ratios to average Feeder capital	
Total expenses	2.94%
Incentive allocation	0.02%
Total expenses and incentive allocation	2.96%
 Net investment loss	 (0.35)%

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 loss 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	(11.31)%
Incentive allocation	(0.02)%
Total return after incentive allocation	(11.33)%

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 December 31, 2018, the Partnership received approximately \$30.8 million in capital contributions and received capital withdrawal requests of approximately \$404.0 million for the quarter ended March 31, 2019. Subsequent events were evaluated by the Partnership's management through March 18, 2019, which is the date the financial statements were available to be issued.

Subsequent to December 31, 2018, the Partnership began offering new share classes with different liquidity and fee terms. Additionally, certain investors will qualify for management fee reductions based on tenure and size of investment.

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