



# **THIRD POINT OFFSHORE FUND, LTD.**

## **FINANCIAL STATEMENTS**

Year Ended December 31, 2015

With Report of Independent Auditors

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## 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, including the condensed schedule of investments, as of December 31, 2015, 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, 2015, 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, 2016

A member firm of Ernst & Young Global Limited

# Statement of Assets and Liabilities

December 31, 2015

(Stated in United States Dollars)

\$

## Assets

Cash	76,396,610
Investment in Third Point Offshore Master Fund L.P., at fair value	7,351,743,338
Investment in affiliated portfolio fund, at fair value (cost \$101,786,366)	176,001,110
Redemptions receivable from Third Point Offshore Master Fund L.P.	291,813,094
<b>Total assets</b>	<b>7,895,954,152</b>

## Liabilities

Shareholder redemptions payable	291,813,094
Shareholder subscriptions received in advance	76,383,750
Deferred compensation payable	289,691,305
Management fee payable	524,366
Accrued expenses	95,963
<b>Total liabilities</b>	<b>658,508,478</b>
<b>Net assets</b>	<b>7,237,445,674</b>

**Net asset value per share (See Note 4)**

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

# Condensed Schedule of Investments

December 31, 2015

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Net Assets %
<b>Investment in Third Point Offshore Master Fund L.P.</b>	<b>7,351,743,338</b>	<b>101.58</b>
<b>Investment in Affiliated Portfolio Fund</b>		
<i>Latin America and the Caribbean:</i>		
Investment Company	176,001,110	2.43
<b>Total Investment in Affiliated Portfolio Fund (cost \$101,786,366)</b>	<b>176,001,110</b>	<b>2.43</b>

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

# Statement of Operations

Year ended December 31, 2015

(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, affiliated funds, derivative contracts and foreign currency translations	164,289,276
Net change in unrealized gain on securities and foreign currency translations	(291,364,606)
Net change in unrealized gain on affiliated funds and foreign currency translations	69,476,598
Net change in unrealized gain on derivative contracts and foreign currency translations	4,036,454
Net loss from currencies	(7,755,798)
<b>Net realized and unrealized loss from investment transactions allocated from Third Point Offshore Master Fund L.P.</b>	<b>(61,318,076)</b>

## Fund realized and unrealized gain/(loss) on investment

Net realized gain on affiliated portfolio fund	10,506,041
Net change in unrealized gain on affiliated portfolio fund	(11,617,514)
<b>Net realized and unrealized loss from investment</b>	<b>(1,111,473)</b>

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

Interest	104,651,125
Dividends, net of withholding taxes of \$19,153,038	47,939,399
Stock loan fees	416,029
Other	2,467,913
<b>Total investment income allocated from Third Point Offshore Master Fund L.P.</b>	<b>155,474,466</b>

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

Incentive fee	3,710,023
Interest	15,214,754
Dividends on securities sold, not yet purchased	4,634,501
Stock borrow fees	2,265,910
Administrative and professional fees	11,173,961
Other	8,963,398
<b>Total investment expenses allocated from Third Point Offshore Master Fund L.P.</b>	<b>45,962,547</b>
<b>Net investment income allocated from Third Point Offshore Master Fund L.P.</b>	<b>109,511,919</b>

(Stated in United States Dollars)

\$

**Fund income**

Depreciation of deferred compensation	401,023
<b>Total Fund income</b>	<b>401,023</b>

**Fund expenses**

Management fee	154,077,487
Administrative and professional fees	268,556
Other	75,091
<b>Total Fund expenses</b>	<b>154,421,134</b>
<b>Net fund expense</b>	<b>(154,020,111)</b>
<b>Net investment loss</b>	<b>(44,508,192)</b>
<b>Net decrease in net assets resulting from operations</b>	<b>(106,937,741)</b>

*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, 2015

(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, affiliated funds, derivative contracts and foreign currency translations	164,289,276
Net change in unrealized gain on securities and foreign currency translations	(291,364,606)
Net change in unrealized gain on affiliated funds and foreign currency translations	69,476,598
Net change in unrealized gain on derivative contracts and foreign currency translations	4,036,454
Net loss from currencies	(7,755,798)
Net investment income	109,511,919
Net realized gain on affiliated portfolio fund	10,506,041
Net change in unrealized gain on affiliated portfolio fund	(11,617,514)
Net Fund expenses	(154,020,111)
<b>Net decrease in net assets resulting from operations</b>	<b>(106,937,741)</b>

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

Class E Shares issued	395,945,152
Class F Shares issued	159,151,950
Class A Shares redeemed	(1,537,307)
Class C Shares redeemed	(4,910,651)
Class D Shares redeemed	(740,267)
Class E Shares redeemed	(428,252,907)
Class F Shares redeemed	(260,989,422)
Class J Shares redeemed	(981,568)
Class E Shares transferred in	22,122,738
Class E Shares transferred out	(3,875,100)
Class F Shares transferred in	3,875,100
Class F Shares transferred out	(22,122,738)
Redemption fee income	74,313
<b>Net decrease in net assets resulting from capital share transactions</b>	<b>(142,240,707)</b>
<b>Net decrease in net assets</b>	<b>(249,178,448)</b>
<b>Net assets at beginning of year</b>	<b>7,486,624,122</b>
<b>Net assets at end of year</b>	<b>7,237,445,674</b>

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



# Statement of Cash Flows

Year ended December 31, 2015

(Stated in United States Dollars)

\$

## Cash flows from operating activities

Net decrease in net assets resulting from operations	(106,937,741)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:	
Proceeds from disposition of affiliated portfolio funds	18,500,000
Net realized gain on affiliated portfolio fund	(10,506,041)
Net change in unrealized gain on affiliated portfolio fund	11,617,514
Decrease in investment in Third Point Offshore Master Fund L.P.	237,228,388
Changes in operating assets and liabilities:	
Increase in redemptions receivable from Third Point Offshore Master Fund L.P.	(142,989,185)
Decrease in deferred compensation payable	(7,901,023)
Increase in management fee payable	277,486
Decrease in accrued expenses	(28,287)
<b>Net cash used in operating activities</b>	<b>(738,889)</b>

## Cash flows from financing activities

Proceeds from issuance of shares	606,325,852
Payments for redemption of shares	(554,348,624)
<b>Net cash provided by financing activities</b>	<b>51,977,228</b>
Net increase in cash	51,238,339
Cash at beginning of year	25,158,271
<b>Cash at end of year</b>	<b>76,396,610</b>

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

# Notes to Financial Statements

Year ended December 31, 2015

## 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.

The Fund is an investment company and applies specialized accounting guidance as outlined in Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2013-08, *Financial Services – Investment Companies (Topic 946), Amendments to the Scope, Measurement, and Disclosure Requirements*, to clarify the characteristics of an investment company and to provide guidance for assessing whether an entity is an investment company. 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 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 contracts in the Statement of Operations.

International Fund Services (Ireland) Limited 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 is subject to income tax examinations by major taxing 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, 2015, the Fund did not incur any interest or penalties.

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

## 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 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 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.

In August 2014, the FASB issued ASU 2014-15 – *Presentation of Financial Statements – Going Concern (Subtopic 2015-40)* (“ASU 2014-15”). The pronouncement defined management's responsibility regarding the assessment of the Fund's ability to continue as a going concern, even if the Fund's liquidation is not imminent. Currently, no similar guidance exists for management representation of going concern. Under this guidance, during each period on which financial statements are prepared, management needs to evaluate whether there are conditions or events that, in the aggregate, raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date the financial statements are issued. Substantial doubt exists if these conditions or events indicate that the Fund will be unable to meet its obligations as they become due. If such conditions or events exist, management should develop a plan to mitigate or alleviate these conditions or events. Regardless of management's plan to mitigate, certain disclosures must be made in the financial statements. ASU 2014-15 is effective for annual periods ending after December 15, 2016, however early adoption is permitted. Management of the Fund is currently evaluating the impact the update will have on the Fund's financial statements.

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 \$7,351,743,338 at December 31, 2015. The fair value represents the amount the Fund would expect to receive at December 31, 2015 if it were to liquidate its investment in the Master Partnership. The percent of the Master Partnership owned by the Fund at December 31, 2015 was approximately 99.27%. 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.

The investment in affiliated portfolio fund is valued at fair value. Fair values are generally determined utilizing the net asset value (“NAV”) provided by, or on behalf of, the underlying investment manager of the affiliated portfolio fund, 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*. The NAV received by, or on behalf of, the underlying investment manager is based on the fair value of the affiliated portfolio fund's underlying investments in accordance with policies established by the affiliated portfolio fund, as described in its financial statements and offering memorandum. The affiliated portfolio fund's strategy is investing in funds. The investment in the affiliated portfolio fund

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

# Notes to Financial Statements *continued*

Year ended December 31, 2015

## 2. Significant Accounting Policies (continued)

was made in connection with the Investment Manager's deferred incentive fee agreement (the "Deferred Fee Agreement"). Through the Deferred Fee Agreement, the Investment Manager may elect to make deemed investments not directly in the Master Partnership. The resulting net gains or losses of such investments are reflected in the statement of operations and allocated strictly to the deferred compensation payable account reflected in the statement of assets and liabilities.

In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* ("ASU 2015-07"), in which certain investments measured at fair value using the net asset value per share method (or its equivalent) as a practical expedient are not required to be categorized in the fair value hierarchy. This guidance is effective for annual reporting periods, including interim periods, beginning after December 15, 2015. Early adoption is permitted. The Fund has elected to early adopt ASU 2015-07 and accordingly has not leveled applicable positions.

Fair value is defined as the price that the Fund 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 listed investment funds.
- 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 liability that are classified at this level generally include non-exchange listed investment funds with immediate liquidity.
- Level 3 – Pricing inputs unobservable for the investment and include activities where there is little, if any, market activity for the investment. 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 non-exchange traded illiquid investment funds.

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.

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.

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

### 3. Related Party Transactions

Pursuant to the investment management agreement, the Fund 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, and 2.5% per annum of the net asset value of the Class J 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, 2015, the management fee expense was \$154,077,487, of which \$524,366 was payable at December 31, 2015.

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 and H shares and 25% of the annual increase in the aggregate net asset value of each series for class J shares (each 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.

Prior to January 1, 2009 and pursuant to the provisions of the Investment Manager’s deferred incentive fee agreement (the “Deferred Fee Agreement”), the Investment Manager was able to elect to defer the receipt of all or a portion of the incentive fee, if any, earned with respect to a particular fiscal year, and was able to elect to have a portion or all of the deferred fee invested in either the same manner as the Fund’s assets, or in another manner approved by the Fund. The value of such deferred amounts constitutes a liability of the Fund to the Investment Manager. Any amounts invested under the provisions of the Deferred Fee Agreement continue for all purposes to be part of the general assets of the Fund, and the Investment Manager has no property interest in any of such assets. For the year ended December 31, 2015, the Investment Manager redeemed \$7,500,000 attributable to deferred compensation earned in prior years. As of December 31, 2015, deferred compensation payable was \$289,691,305 and is scheduled for distribution from the year 2016 through 2017. For the year ended December 31, 2015, the deferred compensation payable depreciated \$401,023.

In relation to the Deferred Fee Agreement, the Fund was invested in an affiliated portfolio fund during the year ended December 31, 2015. The resulting net gains or losses of such investments are reflected in the statement of operations and allocated strictly to the deferred compensation payable account reflected in the statement of assets and liabilities. The value of the affiliated portfolio fund at December 31, 2015 was \$176,001,110.

### 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, 2015, there were seven outstanding classes (each, a “Class”) of shares: Class A, B, C, D, E, F and H and within each class there is one or more separate series. Each share is equal to every other

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

# Notes to Financial Statements continued

Year ended December 31, 2015

## 4. Share Capital (continued)

share of the same series with respect to earnings, assets, dividends and voting privileges. Class E and F are currently offered. Class B, D and F shares will in aggregate participate only up to 10% of profits and losses from “new issues”.

Class A and B shares have monthly redemption rights. Class C, D, E, F and H shares have quarterly 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 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.

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.

	Shares Outstanding at January 1, 2015	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 December 31, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class A, Series 1-2	124,619	–	–	–	–	–	–	(2,470)	122,149	614.42
Class B, Series 1	3,622	–	–	–	–	–	–	–	3,622	592.41
Class C, Series 1	38,900	–	–	–	–	–	–	(7,838)	31,062	622.99
Class D, Series 1	127,854	–	–	–	–	–	–	(1,215)	126,639	582.90
Class E, Series 1	10,484,076	1,192,911	–	(78,939)	–	(3,709)	–	(1,117,533)	10,476,806	333.17
Class F, Series 1	3,977,292	37,275	–	(72,973)	–	(37,743)	–	(527,805)	3,376,046	325.51
Class H, Series 1	757,471	–	–	–	–	–	–	–	757,471	199.82
Class J, Series 1	4,088	–	–	–	–	–	–	(4,088)	–	–
Class E, Series 2	3,450	(3,450)	–	–	–	–	1,536,500	–	1,536,500	94.93
Class F, Series 2	20,000	(20,000)	–	–	17,870	–	–	–	17,870	95.98
Class E, Series 3	39,801	(39,801)	7,052	–	–	–	–	–	7,052	325.57
Class F, Series 3	11,000	(11,000)	–	–	3,441	–	–	–	3,441	95.98

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

## 4. Share Capital (continued)

	Shares Outstanding at January 1, 2015	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, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class E, Series 4	67,167	(67,167)	3,000	–	–	–	–	–	3,000	98.52
Class F, Series 4	5,000	(5,000)	–	–	–	–	124,435	–	124,435	94.91
Class E, Series 5	13,912	(13,912)	–	–	–	–	–	–	–	–
Class F, Series 5	–	–	–	–	–	–	10,955	–	10,955	94.44
Class E, Series 6	9,169	(9,169)	3,500	–	–	–	–	–	3,500	97.86
Class F, Series 6	–	–	5,282	–	–	–	–	–	5,282	333.12
Class E, Series 7	22,934	(22,934)	–	–	–	–	–	–	–	–
Class F, Series 7	–	–	5,000	–	–	–	–	–	5,000	98.21
Class E, Series 8	1,961	(1,961)	–	–	–	–	–	–	–	–
Class F, Series 8	–	–	–	(14,000)	–	–	19,000	(5,000)	–	–
Class E, Series 9	3,695,664	–	–	–	48,814	(31,430)	1,309	(5,404)	3,708,953	213.54
Class F, Series 9	–	–	–	–	–	–	335,000	–	335,000	93.23
Class E, Series 10	319,900	–	–	–	43,627	(66,554)	792	(410)	297,355	147.53
Class F, Series 10	–	–	–	–	127,714	–	–	–	127,714	92.38
Class E, Series 11	–	–	–	–	–	–	52,548	(5,294)	47,254	94.45
Class F, Series 11	–	–	642	–	–	–	–	–	642	325.57
Class E, Series 12	7,071	(7,071)	–	–	–	–	126,250	–	126,250	94.45
Class F, Series 12	–	–	–	–	–	–	10,000	–	10,000	92.38
Class E, Series 13	84,000	(84,000)	–	–	–	–	46,300	–	46,300	92.30
Class E, Series 14	196,680	(196,680)	–	–	–	–	451,670	–	451,670	93.24
Class F, Series 14	–	–	1,579	–	–	–	–	–	1,579	333.15
Class E, Series 15	2,002	(2,002)	1,510	–	–	–	–	–	1,510	325.57
Class F, Series 15	–	–	–	–	–	–	215,160	–	215,160	98.67
Class E, Series 16	2,654,680	(2,654,680)	–	–	–	–	–	–	–	–
Class F, Series 16	–	–	–	–	15,000	–	–	(15,000)	–	–
Class E, Series 17	996	–	–	–	–	–	–	–	996	98.23
Class F, Series 17	–	–	–	–	1,420	–	–	–	1,420	102.67

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



# Notes to Financial Statements continued

Year ended December 31, 2015

## 4. Share Capital (continued)

	Shares Outstanding at January 1, 2015	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, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class E, Series 18	698	–	–	–	–	–	–	–	698	98.23
Class F, Series 18	–	–	–	–	–	–	564,637	–	564,637	102.67
Class E, Series 19	219	–	–	–	–	–	–	–	219	98.23
Class F, Series 19	–	–	–	–	–	–	77,140	–	77,140	98.64
Class E, Series 20	6,335	–	–	–	–	–	–	–	6,335	98.23
Class F, Series 20	–	–	–	–	–	–	126,193	–	126,193	98.87
Class E, Series 21	333	–	–	–	–	–	–	–	333	98.23
Class F, Series 21	8,000	(8,000)	–	–	–	–	–	–	–	–
Class E, Series 22	127	–	–	–	–	–	–	–	127	98.23
Class E, Series 23	2,513,320	–	–	(15,000)	–	–	–	(71,347)	2,426,973	98.23
Class E, Series 24	8,390	(8,390)	–	–	–	–	–	–	–	–
Class E, Series 25	–	–	–	–	–	–	253,150	–	253,150	98.68
Class F, Series 25	10,122	–	–	–	–	–	–	–	10,122	98.35
Class E, Series 26	–	–	14,000	–	–	–	–	–	14,000	92.30
Class F, Series 26	9,632	–	–	–	–	–	–	–	9,632	98.35
Class E, Series 27	606,159	(606,159)	–	–	–	–	–	–	–	–
Class E, Series 28	62,729	(62,729)	–	–	–	–	–	–	–	–
Class F, Series 28	1,359,396	–	–	(3,000)	–	(36,142)	–	(284,009)	1,036,245	98.50
Class E, Series 29	3,702,866	–	–	–	–	–	–	(87,104)	3,615,762	98.54
Class F, Series 29	621,600	–	–	(3,500)	–	(1,500)	–	(107,769)	508,831	97.84
Class E, Series 30	5,000	(5,000)	–	–	–	–	–	–	–	–
Class F, Series 30	19,973	(19,973)	–	–	–	–	–	–	–	–
Class E, Series 31	2,058	(2,058)	–	–	–	–	–	–	–	–
Class F, Series 31	10,000	(10,000)	–	–	–	–	–	–	–	–
Class F, Series 32	5,354	–	–	–	–	–	–	–	5,354	98.50
Class F, Series 33	3,450	–	–	–	–	–	–	–	3,450	98.50

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



## 4. Share Capital (continued)

	Shares Outstanding at January 1, 2015	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, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class F, Series 34	1,348	–	–	–	–	–	–	–	1,348	98.50
Class E, Series 35	85,000	–	–	–	–	–	–	–	85,000	97.34
Class F, Series 35	–	–	–	–	–	–	52,600	–	52,600	98.82
Class E, Series 36	–	–	–	–	12,500	–	–	–	12,500	98.86
Class E, Series 37	–	–	–	–	–	–	198,950	–	198,950	98.86
Class E, Series 38	–	–	–	–	–	–	4,400	–	4,400	98.86
Class F, Series 38	–	–	7,835	–	–	–	–	(1,647)	6,188	333.10
Class E, Series 39	–	–	–	–	–	–	27,300	–	27,300	98.86
Class F, Series 40	–	–	10,000	–	–	–	–	–	10,000	98.21
Class E, Series 41	–	–	642	(642)	–	–	–	–	–	–
Class F, Series 41	–	–	–	–	4,534	–	–	–	4,534	94.91
Class E, Series 42	–	–	43,333	–	–	–	–	–	43,333	325.54
Class E, Series 43	–	–	–	–	–	–	96,940	–	96,940	92.38
Class E, Series 44	–	–	–	–	–	–	694,530	–	694,530	102.67
Class E, Series 45	–	–	–	–	–	–	2,282	–	2,282	102.67
Class E, Series 46	–	–	–	–	–	–	1,582	–	1,582	102.67
Class E, Series 47	–	–	20,435	–	–	–	–	–	20,435	325.53
Class E, Series 48	–	–	–	–	–	–	315,000	–	315,000	98.64
Class E, Series 51	–	–	–	–	–	–	148,050	–	148,050	98.87
Class E, Series 60	276,155	–	–	–	–	–	–	(199,128)	77,027	143.90
Class F, Series 60	23,258	–	–	–	–	(927)	–	(1,576)	20,755	147.09
Class F, Series 60-1	25,645	–	–	–	–	–	–	(9,939)	15,706	146.80
Class E, Series 60-2	14,641	–	–	–	–	–	–	–	14,641	151.40
Class F, Series 60-2	8,386	–	–	–	–	–	–	–	8,386	154.93

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

# Notes to Financial Statements continued

Year ended December 31, 2015

## 4. Share Capital (continued)

	Shares Outstanding at January 1, 2015	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, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class E, Series 60-3	3,892	–	–	–	–	–	–	(733)	3,159	143.90
Class F, Series 60-3	1,112	–	–	–	–	–	–	–	1,112	154.00
Class E, Series 60-4	927	–	–	–	–	–	–	–	927	148.23
Class F, Series 60-4	7,413	–	–	–	–	–	–	–	7,413	149.57
Class E, Series 60-5	340	–	–	–	–	–	–	–	340	174.00
Class F, Series 60-5	3,012	–	–	–	–	–	–	–	3,012	154.26
Class E, Series 60-6	5,931	–	–	–	–	–	–	–	5,931	130.42
Class F, Series 60-6	1,344	–	–	–	–	–	–	–	1,344	146.23
Class F, Series 60-7	2,780	–	–	–	–	–	–	(630)	2,150	147.44
Class E, Series 60-8	4,139	–	–	–	–	–	–	–	4,139	333.17
Class F, Series 60-8	5,884	–	–	–	–	–	–	–	5,884	145.12
Class E, Series 60-9	884	–	–	–	–	–	–	–	884	143.90
Class F, Series 60-9	3,799	–	–	–	–	–	–	(1,019)	2,780	140.67
Class E, Series 60-10	2,041	–	–	–	–	–	–	–	2,041	333.17
Class F, Series 60-10	927	–	–	–	–	–	–	–	927	137.58
Class E, Series 60-11	479	–	–	–	–	–	–	–	479	333.17
Class F, Series 60-11	2,131	–	–	–	–	–	–	–	2,131	133.97
Class E, Series 60-12	100,000	–	–	–	–	–	–	–	100,000	98.74
Class F, Series 60-12	2,872	–	–	–	–	–	–	–	2,872	118.96
Class E, Series 60-13	50,000	–	–	–	–	–	–	–	50,000	98.23
Class F, Series 60-13	51,750	–	–	–	–	–	–	(1,100)	50,650	97.84
Class E, Series 60-14	1,924	–	–	–	–	–	–	–	1,924	333.17
Class F, Series 60-14	563,880	–	–	–	–	–	–	(438,040)	125,840	98.50
Class E, Series 60-15	–	–	64,243	–	–	–	–	–	64,243	333.17
Class F, Series 60-15	–	–	–	–	–	(5,500)	35,650	–	30,150	94.91
Class F, Series 60-16	–	–	–	–	5,579	–	–	–	5,579	93.23

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

## 4. Share Capital (continued)

	Shares Outstanding at January 1, 2015	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, 2015	Net Asset Value Per Share at December 31, 2015 \$
Class F, Series 60-17	–	–	–	–	1,457	–	–	–	1,457	92.28
Class F, Series 60-18	–	–	–	–	–	–	20,750	–	20,750	102.67
Class E, Series 61-1	111,661	–	–	–	–	–	–	–	111,661	148.04
Class F, Series 3-61-1	1,297	–	–	–	–	–	–	–	1,297	147.11
Class F, Series 3-61-2	927	–	–	–	–	–	–	–	927	146.80
Class E, Series 61-3	1,714	–	–	–	–	–	–	–	1,714	151.31
Class E, Series 61-4	52,819	–	–	–	–	–	–	–	52,819	143.89
Class F, Series 3-61-4	1,297	–	–	–	–	–	–	–	1,297	118.96
Class E, Series 61-5	1,853	–	–	–	–	–	–	–	1,853	155.93
Class E, Series 61-6	18,533	–	–	–	–	–	–	–	18,533	130.42
Class E, Series 61-7	1,052	–	–	–	–	–	–	–	1,052	130.42
Class E, Series 61-8	108,924	–	–	–	–	–	–	–	108,924	119.50
Class E, Series 61-9	144,551	–	–	–	–	–	–	(16,255)	128,296	117.73
Class E, Series 61-10	3,191	–	–	–	–	–	–	(3,191)	–	–
Class E, Series 61-11	23,780	–	–	–	–	–	–	–	23,780	100.00
Class E, Series 61-12	27,600	–	–	–	–	–	–	–	27,600	98.23
Class E, Series 61-13	36,000	–	–	–	–	–	–	–	36,000	98.54

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

# Notes to Financial Statements continued

Year ended December 31, 2015

## 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 this indemnification would be reflected in administrative and professional fees in the statement of operations.

## 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, 2015.

	Class A, Series 1-2	Class B, Series 1	Class C, Series 1	Class D, Series 1	Class E, Series 1	Class F, Series 1	Class H, Series 1
<b>Per share operating performance</b>							
Net asset value at beginning of year	\$621.51	\$599.45	\$630.19	\$589.83	\$337.02	\$329.38	\$205.34
Income from investment operations:							
Net realized and unrealized loss from investments	(3.57)	(3.64)	(3.63)	(3.59)	(1.94)	(2.00)	(4.41)
Net investment loss	(3.52)	(3.40)	(3.57)	(3.34)	(1.91)	(1.87)	(1.11)
<b>Total from investment operations</b>	<b>(7.09)</b>	<b>(7.04)</b>	<b>(7.20)</b>	<b>(6.93)</b>	<b>(3.85)</b>	<b>(3.87)</b>	<b>(5.52)</b>
<b>Net asset value at the end of the year</b>	<b>\$614.42</b>	<b>\$592.41</b>	<b>\$622.99</b>	<b>\$582.90</b>	<b>\$333.17</b>	<b>\$325.51</b>	<b>\$199.82</b>
<b>Total Return</b>							
Total return before incentive fee	(1.14%)	(1.17%)	(1.14%)	(1.17%)	(1.14%)	(1.17%)	(2.69%)
Incentive fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total return after performance fee</b>	<b>(1.14%)</b>	<b>(1.17%)</b>	<b>(1.14%)</b>	<b>(1.17%)</b>	<b>(1.14%)</b>	<b>(1.17%)</b>	<b>(2.69%)</b>
<b>Ratios to average net assets</b>							
Total expenses before incentive fee and depreciation of deferred compensation	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.58%
Incentive fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total expenses before depreciation of deferred compensation</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.58%</b>
Depreciation of deferred compensation	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total expenses</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.57%</b>	<b>2.58%</b>
Net investment loss	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.56%)	(0.54%)

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.

## 7. Subsequent Events

Subsequent to December 31, 2015, the Fund received approximately \$160.9 million in capital subscriptions, of which approximately \$76.4 was received in advance, and recorded redemptions of approximately \$208.9 million. Subsequent events were evaluated by the Fund's management until March 18, 2016, which is the date the financial statements were issued.

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

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

## **FINANCIAL STATEMENTS**

Year Ended December 31, 2015

With Report of Independent Auditors

## Contents

01	Report of Independent Auditors
02	Statement of Financial Condition
03	Condensed Schedule of Investments
13	Statement of Income
14	Statement of Changes in Partners' Capital
15	Statement of Cash Flows
16	Notes to Financial Statements



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## 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, 2015, and the related statements of income, 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, 2015, 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.

March 18, 2016

# Statement of Financial Condition

December 31, 2015

(Stated in United States Dollars)

\$

## Assets

Cash	10,884
Investments in securities, at fair value (cost \$7,082,487,694)	7,365,091,430
Investments in affiliated funds, at fair value (cost \$92,837,725)	119,346,080
Due from brokers	1,370,104,294
Derivative contracts, at fair value (net upfront fees paid and cost of \$66,794,024)	124,453,734
Interest and dividends receivable	35,150,916
Other assets	139,432,335
<b>Total assets</b>	<b>9,153,589,673</b>

## Liabilities and Partners' Capital

### Liabilities

Securities sold, not yet purchased, at fair value (proceeds \$1,148,202,381)	1,123,398,218
Securities sold under an agreement to repurchase	33,908,222
Due to brokers	239,747,021
Derivative contracts, at fair value (net upfront fees received and proceeds of \$22,066,993)	51,743,368
Withdrawals payable to Limited Partner	291,813,094
Interest payable	4,485,851
Accrued expenses	2,785,484
<b>Total liabilities</b>	<b>1,747,881,258</b>

Commitments (See Note 6)

### Partners' Capital

General partner's capital	53,965,077
Limited partner's capital	7,351,743,338
<b>Total Partners' capital</b>	<b>7,405,708,415</b>
<b>Total liabilities and partners' capital</b>	<b>9,153,589,673</b>

See accompanying notes.

# Condensed Schedule of Investments

December 31, 2015

(Stated in United States Dollars) Description	Shares	Fair Value \$	Percentage of Partners' Capital %
<b>Investments in Securities</b>			
<b>Equity Securities</b>			
<i>North America:</i>			
Basic Materials			
The Dow Chemical Company	10,318,400	531,191,232	7.17
Other		26,151,645	0.36
Total Basic Materials		557,342,877	7.53
Communications		105,860,536	1.43
Consumer, Cyclical		279,763,425	3.78
Consumer, Non-Cyclical			
Baxter International Inc.	21,988,000	838,842,200	11.33
Amgen Inc.	3,681,100	597,552,963	8.07
Other		323,641,474	4.37
Total Consumer, Non-Cyclical		1,760,036,637	23.77
Energy		32,779,405	0.44
Financial		68,697,358	0.93
Industrial		293,586,709	3.95
Technology		15,393,454	0.21
<b>Total North America (cost \$3,006,857,945)</b>		<b>3,113,460,401</b>	<b>42.04</b>
<i>Europe:</i>			
Communications		83,143,158	1.12
Consumer, Non-Cyclical			
Allergan plc	2,200,200	687,562,500	9.29
Other		71,300,000	0.96
Total Consumer, Non-Cyclical		758,862,500	10.25
Financial		71,535,570	0.97
<b>Total Europe (cost \$779,317,567)</b>		<b>913,541,228</b>	<b>12.34</b>
<i>Asia-Pacific:</i>			
Consumer, Cyclical		60,306,396	0.81
Consumer, Non-Cyclical		71,868,610	0.97
Technology		88,715,680	1.20
<b>Total Asia-Pacific (cost \$205,990,706)</b>		<b>220,890,686</b>	<b>2.98</b>
<i>Latin America and the Caribbean:</i>			
Consumer, Non-Cyclical		49,146,245	0.66
Financial		15,094,134	0.20
<b>Total Latin America and the Caribbean (cost \$66,027,760)</b>		<b>64,240,379</b>	<b>0.86</b>
<b>Total Equity Securities (cost \$4,058,193,978)</b>		<b>4,312,132,694</b>	<b>58.22</b>

# Condensed Schedule of Investments continued

December 31, 2015

(Stated in United States Dollars) Description	Principal \$	Fair Value \$	Percentage of Partners' Capital %
<b>Investments in Securities (continued)</b>			
<b>Asset-Backed Securities (See Note 2)</b>			
<i>North America:</i>			
Consumer Loan		72,690,790	0.98
Mortgage		1,455,672,111	19.66
<b>Total North America (cost \$1,507,869,551)</b>		<b>1,528,362,901</b>	<b>20.64</b>
<i>Latin America and the Caribbean:</i>			
Mortgage (cost \$201,933,429)		175,215,220	2.37
<i>Europe:</i>			
Mortgage (cost \$118,287,558)		97,834,276	1.32
<b>Total Asset-Backed Securities (cost \$1,828,090,538)</b>		<b>1,801,412,397</b>	<b>24.33</b>
<b>Sovereign Debt</b>			
<i>Latin America and the Caribbean:</i>			
Republic of Argentina, 8.28% 12/31/2033	138,428,820	142,004,897	1.91
Republic of Argentina, 7.82% 12/31/2033	90,774,681	103,568,672	1.40
Republic of Argentina, 7.82% 12/31/2033	62,462,723	71,944,551	0.97
Republic of Argentina, 8.28% 12/31/2033	61,124,651	68,255,860	0.92
Republic of Argentina, Floating 12/15/2035	365,881,000	38,997,230	0.53
Republic of Argentina, 2.26% 12/31/2038	53,506,000	33,307,306	0.45
Republic of Argentina, Floating 12/15/2035	226,023,000	22,639,971	0.31
Republic of Argentina, 8.28% 12/31/2033	19,300,455	22,115,105	0.30
Republic of Argentina, 8.75% 5/7/2024	20,373,000	21,822,879	0.29
Republic of Argentina, Floating 12/15/2035	142,080,000	13,805,440	0.19
Republic of Argentina, 2.26% 12/31/2038	6,958,000	4,236,899	0.06
Republic of Argentina, 7%-11.75% 11/14/2002-5/20/2011	1,211,000	702,591	0.01
Republic of Argentina, 11% 12/4/2005	426,000	692,250	0.01
Republic of Argentina, 8.125%-10% 2/4/2003-4/26/2006	154,000	172,927	0.00
Republic of Argentina, Floating – 6% 3/31/2023	128,000	171,681	0.00
Republic of Argentina, 11.75%-12% 9/19/2016-11/13/2026	264,000	157,549	0.00
Republic of Argentina, 7% 12/4/2003	22,000	20,854	0.00
<b>Total Sovereign Debt (cost \$465,405,853)</b>		<b>544,616,662</b>	<b>7.35</b>

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Investments in Securities (continued)</b>		
<b>Corporate Bonds</b>		
<i>North America:</i>		
Communications	8,902,080	0.12
Consumer, Non-Cyclical	23,709,781	0.32
Energy	166,438,928	2.24
Financial	16,767,971	0.23
Technology	19,153,563	0.26
<b>Total North America (cost \$298,422,432)</b>	<b>234,972,323</b>	<b>3.17</b>
<i>Latin America and the Caribbean:</i>		
Energy	68,374,599	0.93
Financial	15,566,377	0.21
<b>Total Latin America and the Caribbean (cost \$90,278,493)</b>	<b>83,940,976</b>	<b>1.14</b>
<i>Europe:</i>		
Basic Materials	2,210,284	0.03
Financial	11,263,374	0.15
<b>Total Europe (cost \$34,664,850)</b>	<b>13,473,658</b>	<b>0.18</b>
<b>Total Corporate Bonds (cost \$423,365,775)</b>	<b>332,386,957</b>	<b>4.49</b>
<b>Private Preferred Equity Securities</b>		
<i>North America:</i>		
Communications	37,880,326	0.51
Consumer, Non-Cyclical	28,022,887	0.38
Energy	7,461,062	0.10
Financial	101,400,744	1.37
Technology	53,972,534	0.73
<b>Total Private Preferred Equity Securities (cost \$182,203,271)</b>	<b>228,737,553</b>	<b>3.09</b>
<b>Private Common Equity Securities</b>		
<i>North America:</i>		
Communications	216,319	0.00
Consumer, Non-Cyclical	243,672	0.00
Financial	15,408,204	0.21
Technology	1,864,320	0.03
<b>Total North America (cost \$17,391,990)</b>	<b>17,732,515</b>	<b>0.24</b>
<i>Europe:</i>		
Financial	737,104	0.01
Technology	3,350,175	0.05
<b>Total Europe (cost \$15,306,421)</b>	<b>4,087,279</b>	<b>0.06</b>
<b>Total Private Common Equity Securities (cost \$32,698,411)</b>	<b>21,819,794</b>	<b>0.30</b>



# Condensed Schedule of Investments continued

December 31, 2015

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Investments in Securities (continued)</b>		
<b>Bank Debt</b>		
<i>North America:</i>		
Communications	7,751,938	0.10
Energy	28,875,551	0.39
<b>Total Bank Debt (cost \$39,045,284)</b>	<b>36,627,489</b>	<b>0.49</b>
<b>Options</b>		
<i>North America:</i>		
Equity Options, Calls	10,694,552	0.14
Index Options, Puts	6,277,785	0.09
<b>Total North America (cost \$9,285,625)</b>	<b>16,972,337</b>	<b>0.23</b>
<i>Europe</i>		
Equity Options, Calls (cost \$12,543,614)	13,741,410	0.19
<i>Asia-Pacific:</i>		
Index Options, Puts (cost \$1,970,927)	923,741	0.01
<b>Total Options (cost \$23,800,166)</b>	<b>31,637,488</b>	<b>0.43</b>
<b>Trade Claims</b>		
<i>North America:</i>		
Financial	29,952,847	0.40
<b>Total Trade Claims (cost \$4,577,001)</b>	<b>29,952,847</b>	<b>0.40</b>
<b>Investment Funds</b>		
<i>North America:</i>		
Investments in Limited Partnerships (cost \$16,159,434)	23,035,273	0.31
<i>Latin America and the Caribbean:</i>		
Investments in Limited Partnerships (cost \$1,127,000)	1,179,327	0.02
<b>Total Investment Funds (cost \$17,286,434)</b>	<b>24,214,600</b>	<b>0.33</b>
<b>Rights and Warrants</b>		
<i>North America:</i>		
Energy	35,395	0.00
Financial	1,466,154	0.02
<b>Total North America (cost \$7,816,871)</b>	<b>1,501,549</b>	<b>0.02</b>

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Investments in Securities (continued)</b>		
<b>Rights and Warrants (continued)</b>		
<i>Latin America and the Caribbean:</i>		
Financial (cost \$4,112)	51,400	0.00
<b>Total Rights and Warrants (cost \$7,820,983)</b>	<b>1,552,949</b>	<b>0.02</b>
<b>Total Investments in Securities (cost \$7,082,487,694)</b>	<b>7,365,091,430</b>	<b>99.45</b>
<b>Investments in Affiliated Funds</b>		
<i>Europe:</i>		
Investment Companies (cost \$43,962,504)	77,585,971	1.05
<i>Latin America and the Caribbean:</i>		
Investments in Limited Partnerships (cost \$48,875,221)	41,760,109	0.56
<b>Total Investments in Affiliated Funds (cost \$92,837,725)</b>	<b>119,346,080</b>	<b>1.61</b>
<b>Securities Sold, not yet Purchased</b>		
<b>Equity Securities</b>		
<i>North America:</i>		
Basic Materials	28,227,213	0.38
Communications	55,317,780	0.75
Consumer, Cyclical	87,571,676	1.18
Consumer, Non-Cyclical	134,551,705	1.82
Energy	42,606,835	0.58
Funds	203,951,548	2.75
Industrial	68,262,182	0.92
Technology	66,039,358	0.89
<b>Total North America (proceeds \$690,117,363)</b>	<b>686,528,297</b>	<b>9.27</b>
<i>Europe:</i>		
Consumer, Non-Cyclical	64,220,547	0.87
Energy	21,004,752	0.28
Industrial	6,041,812	0.08
<b>Total Europe (proceeds \$83,751,932)</b>	<b>91,267,111</b>	<b>1.23</b>
<i>Latin America and the Caribbean:</i>		
Basic Materials	14,107,849	0.19
Communications	19,878,642	0.27
Consumer, Cyclical	5,437,104	0.07
<b>Total Latin America and the Caribbean (proceeds \$46,721,333)</b>	<b>39,423,595</b>	<b>0.53</b>
<b>Total Equity Securities (proceeds \$820,590,628)</b>	<b>817,219,003</b>	<b>11.03</b>

# Condensed Schedule of Investments continued

December 31, 2015

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Securities Sold, not yet Purchased (continued)</b>		
<b>Corporate Bonds</b>		
<i>Europe:</i>		
Basic Materials	25,665,496	0.34
Communications	9,503,090	0.13
Energy	58,361,286	0.79
<b>Total Europe (proceeds \$99,441,202)</b>	<b>93,529,872</b>	<b>1.26</b>
<i>North America:</i>		
Basic Materials	12,609,316	0.17
Consumer, Non-Cyclical	22,066,198	0.30
Energy	45,736,448	0.62
Utilities	5,793,795	0.08
<b>Total North America (proceeds \$89,210,237)</b>	<b>86,205,757</b>	<b>1.17</b>
<i>Latin America and the Caribbean:</i>		
Basic Materials	36,849,261	0.49
Consumer, Cyclical	8,993,558	0.12
<b>Total Latin America and the Caribbean (proceeds \$49,192,907)</b>	<b>45,842,819</b>	<b>0.61</b>
<i>Asia-Pacific:</i>		
Basic Materials	34,489,196	0.47
Financial	10,254,261	0.14
<b>Total Asia-Pacific (proceeds \$45,630,379)</b>	<b>44,743,457</b>	<b>0.61</b>
<b>Total Corporate Bonds (proceeds \$283,474,725)</b>	<b>270,321,905</b>	<b>3.65</b>
<b>Sovereign Debt</b>		
<i>Latin America and the Caribbean:</i>		
Republic Of Brazil	20,453,591	0.28
<b>Total Sovereign Debt (proceeds \$20,498,258)</b>	<b>20,453,591</b>	<b>0.28</b>
<b>Options</b>		
<i>North America:</i>		
Equity Options, Calls	3,337,976	0.05
Equity Options, Puts	9,117,750	0.12
Index Options, Calls	2,271,070	0.03
<b>Total North America (proceeds \$22,402,146)</b>	<b>14,726,796</b>	<b>0.20</b>
<i>Europe:</i>		
Equity Options, Calls (proceeds \$697,230)	522,400	0.01

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Securities Sold, not yet Purchased (continued)</b>		
<b>Options (continued)</b>		
<i>Asia-Pacific:</i>		
Index Options, Calls (proceeds \$539,394)	154,523	0.00
<b>Total Options (proceeds \$23,638,770)</b>	<b>15,403,719</b>	<b>0.21</b>
<b>Total Securities Sold, not yet Purchased (proceeds \$1,148,202,381)</b>	<b>1,123,398,218</b>	<b>15.17</b>
<b>Derivative Contracts</b>		
<b>Commodity Futures – Short Contracts</b>		
<i>North America:</i>		
Commodities	180,750	0.00
<b>Total Commodity Futures – Short Contracts</b>	<b>180,750</b>	<b>0.00</b>
<b>Contracts for Differences – Long Contracts</b>		
<i>Europe:</i>		
Basic Materials	833,003	0.01
<i>Latin America and the Caribbean:</i>		
Consumer, Non-Cyclical	(774,562)	(0.01)
Financial	(562,774)	(0.01)
<b>Total Latin America and the Caribbean</b>	<b>(1,337,336)</b>	<b>(0.02)</b>
<b>Total Contracts for Differences – Long Contracts</b>	<b>(504,333)</b>	<b>(0.01)</b>
<b>Contracts for Differences – Short Contracts</b>		
<i>North America:</i>		
Equity Swap Basket	5,137,533	0.07
<i>Europe:</i>		
Basic Materials	2,647,895	0.04
Communications	22,651	0.00
Consumer, Cyclical	(4,710,831)	(0.06)
Consumer, Non-Cyclical	3,782,116	0.05
Financial	959,324	0.01
Industrial	483,373	0.01
<b>Total Europe</b>	<b>3,184,528</b>	<b>0.05</b>
<i>Asia-Pacific:</i>		
Communications	1,095,999	0.01
Consumer, Cyclical	118,069	0.00
<b>Total Asia-Pacific</b>	<b>1,214,068</b>	<b>0.01</b>
<b>Total Contracts for Differences – Short Contracts</b>	<b>9,536,129</b>	<b>0.13</b>

# Condensed Schedule of Investments continued

December 31, 2015

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Derivative Contracts (continued)</b>		
<b>Credit Default Swaps – Protection Purchased</b>		
<i>North America:</i>		
Asset-Backed Securities Index	34,690,100	0.47
Basic Materials	1,326,777	0.02
Communications	(224,399)	(0.00)
Consumer, Cyclical	(8,032,562)	(0.11)
Energy	1,738,922	0.02
Financial	258,231	0.00
Utilities	(258,443)	(0.00)
<b>Total North America (net upfront fees paid \$14,707,996)</b>	<b>29,498,626</b>	<b>0.40</b>
<i>Latin America and the Caribbean:</i>		
Energy	13,018,284	0.18
Sovereign Debt	13,236,282	0.17
<b>Total Latin America and the Caribbean (net upfront fees paid \$19,823,428)</b>	<b>26,254,566</b>	<b>0.35</b>
<i>Europe:</i>		
Basic Materials	580,951	0.01
Energy	1,510,390	0.02
Sovereign Debt	3,233,578	0.04
<b>Total Europe (net upfront fees paid \$5,207,427)</b>	<b>5,324,919</b>	<b>0.07</b>
<i>Middle East and Africa:</i>		
Sovereign Debt (net upfront fees paid \$2,113,923)	3,289,118	0.04
<i>Asia-Pacific:</i>		
Basic Materials (net upfront fees paid \$648,976)	1,123,855	0.02
<b>Total Credit Default Swaps – Protection Purchased (net upfront fees paid \$42,501,750)</b>	<b>65,491,084</b>	<b>0.88</b>
<b>Credit Default Swaps – Protection Sold</b>		
<i>Latin America and the Caribbean:</i>		
Energy (net upfront fees received \$1,198,192)	(2,060,522)	(0.03)
<i>North America:</i>		
Asset-Backed Securities (net upfront fees received \$5,657,243)	(5,763,163)	(0.08)
<b>Total Credit Default Swaps – Protection Sold (net upfront fees received \$6,855,435)</b>	<b>(7,823,685)</b>	<b>(0.11)</b>

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Derivative Contracts (continued)</b>		
<b>Foreign Currency Forward Contracts</b>		
Buy United States Dollar, Sell British Pound Sterling	863,041	0.01
Buy United States Dollar, Sell Canadian Dollar	249,365	0.00
Buy United States Dollar, Sell Euro	4,920,802	0.07
Buy United States Dollar, Sell Japanese Yen	(2,661,299)	(0.04)
Buy United States Dollar, Sell Mexican Peso	102,889	0.00
Buy United States Dollar, Sell Saudi Riyal	(575,252)	(0.01)
Sell United States Dollar, Buy British Pound Sterling	(1,096,622)	(0.01)
<b>Total Foreign Currency Forward Contracts</b>	<b>1,802,924</b>	<b>0.02</b>
<b>Foreign Currency Options – Purchased</b>		
Call United States Dollar, Put Chinese Yuan	2,970,135	0.04
Call United States Dollar, Put Saudi Riyal	7,502,022	0.11
Put United States Dollar, Call Chinese Yuan	2,993,316	0.04
Put United States Dollar, Call Euro	303,996	0.00
Put United States Dollar, Call Saudi Riyal	736,378	0.01
<b>Total Foreign Currency Options – Purchased (cost \$10,993,245)</b>	<b>14,505,847</b>	<b>0.20</b>
<b>Foreign Currency Options – Sold</b>		
Call United States Dollar, Put Chinese Yuan	(633,649)	(0.01)
Put United States Dollar, Call Chinese Yuan	(605,413)	(0.01)
Put United States Dollar, Call Saudi Riyal	(426,768)	(0.00)
<b>Total Foreign Currency Options – Sold (proceeds \$2,306,088)</b>	<b>(1,665,830)</b>	<b>(0.02)</b>
<b>Interest Rate Swaptions</b>		
<i>North America:</i>		
United States Dollar Libor	257,158	0.00
<b>Total Interest Rate Swaptions (cost \$393,559)</b>	<b>257,158</b>	<b>0.00</b>

# Condensed Schedule of Investments continued

December 31, 2015

(Stated in United States Dollars) Description	Fair Value \$	Percentage of Partners' Capital %
<b>Derivative Contracts (continued)</b>		
<b>Total Return Swaps-Long Contracts</b>		
<i>Asia-Pacific:</i>		
Consumer, Cyclical	(3,508,874)	(0.05)
Consumer, Non-Cyclical	(786,930)	(0.01)
<b>Total Asia Pacific</b>	<b>(4,295,804)</b>	<b>(0.06)</b>
<i>North America:</i>		
Consumer, Non-Cyclical	(22,488)	(0.00)
Equity Swap Basket	(5,089,352)	(0.07)
Financial	41,187	0.00
<b>Total North America</b>	<b>(5,070,653)</b>	<b>(0.07)</b>
<b>Total Total Return Swaps-Long Contracts</b>	<b>(9,366,457)</b>	<b>(0.13)</b>
<b>Total Return Swaps-Short Contracts</b>		
<i>Asia-Pacific:</i>		
Basic Materials	(1,136,520)	(0.02)
Consumer, Cyclical	798,155	0.02
Financial	635,144	0.02
<b>Total Total Return Swaps-Short Contracts</b>	<b>296,779</b>	<b>0.02</b>
<b>Net Derivative Contracts (including net upfront fees paid and cost \$44,727,031)</b>	<b>72,710,366</b>	<b>0.98</b>
<i>See accompanying notes.</i>		

# Statement of Income

Year ended December 31, 2015

(Stated in United States Dollars)

\$

## Realized and unrealized gain/(loss) on investment transactions

Net realized gain from securities, affiliated funds, derivative contracts and foreign currency translations	165,326,554
Net change in unrealized gain on securities and foreign currency translations	(293,366,439)
Net change in unrealized gain on affiliated funds and foreign currency translations	69,958,712
Net change in unrealized gain on derivative contracts and foreign currency translations	4,062,293
Net loss from currencies	(7,807,999)
<b>Net realized and unrealized loss from investment transactions</b>	<b>(61,826,879)</b>

## Investment income

Interest	105,367,440
Dividends, net of withholding taxes of \$19,207,006	48,389,537
Stock loan fees	418,851
Other	2,485,039
<b>Total investment income</b>	<b>156,660,867</b>

## Expenses

Interest	15,319,636
Dividends on securities sold, not yet purchased	4,666,351
Stock borrow fees	2,281,517
Administrative and professional fees	11,249,882
Other	9,024,613
<b>Total expenses</b>	<b>42,541,999</b>
<b>Net investment income</b>	<b>114,118,868</b>
<b>Net income</b>	<b>52,291,989</b>

See accompanying notes.



# Statement of Changes in Partners' Capital

Year ended December 31, 2015

	Total \$	General Partner \$	Limited Partner \$
(Stated in United States Dollars)			
Partners' capital at beginning of year	7,638,838,657	49,866,931	7,588,971,726
Capital contributions	573,597,104	–	573,597,104
Capital withdrawals	(859,019,335)	–	(859,019,335)
Allocation of net income:			
Pro-rata allocation	52,291,989	388,123	51,903,866
Incentive allocation	–	3,710,023	(3,710,023)
Net income	52,291,989	4,098,146	48,193,843
<b>Partners' capital at end of year</b>	<b>7,405,708,415</b>	<b>53,965,077</b>	<b>7,351,743,338</b>

See accompanying notes.

# Statement of Cash Flows

Year ended December 31, 2015

(Stated in United States Dollars)

\$

## Cash flows from operating activities

Net income	52,291,989
Adjustments to reconcile net income to net cash provided by operating activities:	
Purchases of investment securities	(10,084,909,482)
Proceeds from disposition of investment securities	10,411,854,333
Purchases of investment securities to cover short sales	(1,990,797,558)
Proceeds from short sales of investment securities	2,816,169,086
Purchases of affiliated funds	(4,538,263)
Proceeds from disposition of affiliated funds	221,800,255
Net realized gain from securities, affiliated funds, derivative contracts and foreign currency translations	(165,326,554)
Net change in unrealized gain on securities and foreign currency translations	293,366,439
Net change in unrealized gain on affiliated funds and foreign currency translations	(69,958,712)
Net change in unrealized gain on derivative contracts and foreign currency translations	(4,062,293)
Amortization of premium and accretion of discount, net	(294,294)
Changes in operating assets and liabilities:	
Increase in due from brokers	(795,264,448)
Decrease in securities purchased under an agreement to resell	133,909,947
Increase in interest and dividends receivable	(19,024,499)
Increase in other assets	(137,645,129)
Increase in securities sold under agreement to repurchase	33,908,222
Decrease in due to brokers	(456,173,245)
Increase in interest and dividends payable	1,422,036
Increase in accrued expenses	553,687
<b>Net cash provided by operating activities</b>	<b>237,281,517</b>

## Cash flows from financing activities

Capital contributions	573,597,104
Capital withdrawals	(816,030,150)
<b>Net cash used in financing activities</b>	<b>(242,433,046)</b>

Net decrease in cash	(5,151,529)
Cash at beginning of the year	5,162,413
<b>Cash at end of year</b>	<b>10,884</b>

## Supplemental disclosure of cash flow information

Cash paid during the year for interest	10,398,451
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See accompanying notes.

# Notes to Financial Statements

Year ended December 31, 2015

## 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 Initial 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, 2015, approximately 99.27% 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 Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2013-08, *Financial Services – Investment Companies (Topic 946), Amendments to the Scope, Measurement, and Disclosure Requirements*, to clarify the characteristics of an investment company and to provide guidance for assessing whether an entity is an investment company. 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 Income.

International Fund Services (Ireland) Limited 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 fund’s ordinary income and capital gains.

## 2. Significant Accounting Policies (continued)

The Partnership evaluates tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a "more likely-than-not" threshold would be recorded as a tax expense in the current 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. Generally, the Partnership is subject to income tax examinations by major taxing authorities including United States and other authorities for open tax years since inception.

The Partnership would recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Income. During the year ended December 31, 2015, the Partnership did not incur any interest or penalties related to unrecognized tax positions.

In August 2014, the FASB issued ASU 2014-15 – *Presentation of Financial Statements – Going Concern (Subtopic 2015-40)* ("ASU 2014-15"). The pronouncement defined management's responsibility regarding the assessment of the Partnership's ability to continue as a going concern, even if the Partnership's liquidation is not imminent. Currently, no similar guidance exists for management representation of going concern. Under this guidance, during each period on which financial statements are prepared, management needs to evaluate whether there are conditions or events that, in the aggregate, raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date the financial statements are issued. Substantial doubt exists if these conditions or events indicate that the Partnership will be unable to meet its obligations as they become due. If such conditions or events exist, management should develop a plan to mitigate or alleviate these conditions or events. Regardless of management's plan to mitigate, certain disclosures must be made in the financial statements. ASU 2014-15 is effective for annual periods ending after December 15, 2016, however early adoption is permitted. Management of the Partnership is currently evaluating the impact the update will have on the Partnership's financial statements.

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.

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. As the Partnership held only repurchase agreements as of December 31, 2015, these positions are not impacted by counterparty netting agreements. Interest expense and income related to repurchase and reverse repurchase agreements held during the year ended December 31, 2015 are included in interest payable and receivable in the Statement of Financial Condition, respectively. Foreign currency loss of \$9,564,896 on repurchase and reverse repurchase agreements are included in the net loss from currencies in the Statement of Income. 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. Any collateral received is reflected in due to brokers in the Statement of Financial Condition.

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, 2015

## 2. Significant Accounting Policies (continued)

The following table presents the remaining contractual maturity of the repurchase agreements and securities lending transactions by class of collateral pledged as of December 31, 2015.

	Overnights and Continuous \$	Up to 30 days \$	30 - 90 days \$	Greater than 90 days \$	Total \$
<b>Repurchase agreements</b>					
Non-US sovereign debt	–	–	33,908,222	–	33,908,222
Total	–	–	33,908,222	–	33,908,222
<b>Securities lending transactions</b>					
U.S. Treasury securities	390,368	–	–	–	390,368
Total	390,368	–	–	–	390,368

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

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. The valuation policy is updated and approved at least on an annual basis by the valuation committee (the "Committee"). The Committee is comprised of officers and employees who are senior business management personnel. The Committee meets on a monthly basis. The Committee's role is to review and verify the propriety and consistency of the valuation methodology to determine fair value of investments. The Committee also reviews any due diligence performed and approves any changes to current or potential external pricing vendors.

Securities listed on a national securities exchange or quoted on NASDAQ are valued at their last sales price as of the last business day of the 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 \$2,061.5 million, or approximately 27% of the Partnership's investment in securities, affiliated funds and derivative assets, and approximately \$5.8 million, or approximately 0.5% of securities sold but not yet purchased and derivative liabilities, are valued based on dealer quotes or other quoted market prices for similar securities.

Private securities 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, 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 revenues multiples or price-earnings ratio, discount rates and other factors. In addition, the Investment Manager employs a third party valuation firm to conduct separate valuations of such private securities. The third party valuation firm provides 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 its interest in these investments may differ from the values that would have been used had a ready market

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

existed for the investment, and the difference could be material. At December 31, 2015, the Partnership had approximately \$290 million of investments fair valued by the Investment Manager, representing approximately 4% of investments in securities, affiliated funds and derivatives, of which approximately 94% were separately valued by a third party valuation firm. The resulting unrealized gains and losses are reflected in the Statement of Income.

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, 2015, the Partnership's asset-backed securities ("ABS") holdings were as follows:

	\$ in millions	
Re-Remic <sup>(1)</sup>	714.5	39.7%
Subprime RMBS	635.5	35.3%
Collateralized debt obligations	184.9	10.2%
Other <sup>(2)</sup>	266.5	14.8%
<b>Total</b>	<b>1,801.4</b>	<b>100.0%</b>

(1) Mezzanine portions of the re-securitized real estate mortgage investment conduits ("re-REMIC") structure of ABS.

(2) Other includes: U.S. Alt-A Positions, Commercial Mortgage-backed securities, market place loans, Non-U.S. RMBS and student loans.

As of December 31, 2015, all of the Partnership's ABS holdings were private-label issued, non-investment grade securities, and none of these securities were guaranteed by government-sponsored entities. These investments are valued using broker quotes or a recognized third-party pricing vendor. 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 global emerging markets, middle market buyout, opportunistic macro-economic and growth equity investments. The Investment Manager generally has limited access, if any, to specific information regarding the underlying 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.

# Notes to Financial Statements *continued*

Year ended December 31, 2015

## 2. Significant Accounting Policies (continued)

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 change in foreign exchange rates on investments, investments in affiliated funds and derivatives from the fluctuations arising from changes in market values of investments, investments in affiliated funds and derivatives. Such fluctuations are included within net realized gain/(loss) on securities, affiliated funds, derivative contracts and foreign currency translations and net change in unrealized gain/(loss) on securities, affiliated funds, derivatives, and foreign currency translations in the Statement of Income.

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

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

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

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

In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* ("ASU 2015-07"), in which certain investments measured at fair value using the net asset value per share method (or its equivalent) as a practical



## 2. Significant Accounting Policies (continued)

expedient are not required to be categorized in the fair value hierarchy. This guidance is effective for annual reporting periods, including interim periods, beginning after December 15, 2015. Early adoption is permitted. The Partnership has elected to early adopt ASU 2015-07 and accordingly has not leveled applicable positions.

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

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

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

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

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



# Notes to Financial Statements continued

Year ended December 31, 2015

## 2. Significant Accounting Policies (continued)

The following is a summary of the inputs utilized in valuing the Partnership's assets and liabilities carried at fair value as of December 31, 2015:

### Fair Value Measurements at December 31, 2015<sup>(1)</sup>

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Assets</b>				
Equity Securities	4,241,168,210	70,964,484	–	4,312,132,694
Asset-Backed Securities	–	1,791,858,160	9,554,237	1,801,412,397
Sovereign Debt	–	544,530,662	86,000	544,616,662
Corporate Bonds	–	286,920,107	45,466,850	332,386,957
Private Preferred Equity Securities	–	–	228,737,553	228,737,553
Private Common Equity Securities	–	3,350,174	18,469,620	21,819,794
Bank Debt	–	7,751,938	28,875,551	36,627,489
Options	–	31,637,488	–	31,637,488
Trade Claims	–	29,952,847	–	29,952,847
Rights and Warrants	1,517,554	35,395	–	1,552,949
<b>Derivative Contracts<sup>(2)</sup></b>				
Commodity Futures – Short Contracts	–	247,883	–	247,883
Contracts for Differences – Long Contracts	–	842,978	–	842,978
Contracts for Differences – Short Contracts	–	21,378,283	–	21,378,283
Credit Default Swaps – Protection Purchased	–	77,876,762	–	77,876,762
Foreign Currency Forward Contracts	–	6,173,965	–	6,173,965
Foreign Currency Options – Purchased	–	14,505,847	–	14,505,847
Interest Rate Swaptions	–	317,624	–	317,624
Total Return Swaps – Long Contracts	–	1,409,161	41,187	1,450,348
Total Return Swaps – Short Contracts	–	1,660,044	–	1,660,044
Subtotal	4,242,685,764	2,891,413,802	331,230,998	7,465,330,564
Investments in funds valued at NAV				143,560,680
<b>Total Assets</b>				<b>7,608,891,244</b>

## 2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
<b>Liabilities</b>				
Equity Securities	817,219,003	–	–	817,219,003
Corporate Bonds	–	270,321,905	–	270,321,905
Sovereign Debt	–	20,453,591	–	20,453,591
Options	2,445,506	12,958,213	–	15,403,719
<b>Derivative Contracts<sup>(2)</sup></b>				
Commodity Futures – Short Contracts	–	67,133	–	67,133
Contracts for Differences – Long Contracts	–	1,347,311	–	1,347,311
Contracts for Differences – Short Contracts	–	11,842,154	–	11,842,154
Credit Default Swaps – Protection Purchased	–	12,385,678	–	12,385,678
Credit Default Swaps – Protection Sold	–	4,104,709	3,718,976	7,823,685
Foreign Currency Forward Contracts	–	4,371,041	–	4,371,041
Foreign Currency Options – Sold	–	1,665,830	–	1,665,830
Interest Rate Swaptions	–	60,466	–	60,466
Total Return Swaps – Long Contracts	–	10,816,805	–	10,816,805
Total Return Swaps – Short Contracts	–	1,363,265	–	1,363,265
<b>Total Liabilities</b>	<b>819,664,509</b>	<b>351,758,101</b>	<b>3,718,976</b>	<b>1,175,141,586</b>

(1) See Condensed Schedule of Investments for a breakout of investments by industry sector and geographic concentration.

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

# Notes to Financial Statements continued

Year ended December 31, 2015

## 2. Significant Accounting Policies (continued)

The following table is a reconciliation of assets and liabilities the Partnership held during the year ended December 31, 2015 at fair value using significant unobservable inputs (Level 3):

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

	Balance at January 1, 2015 \$	Transfers into Level 3 \$	Transfers out of Level 3 \$	Purchases \$	Sales/Proceeds \$	Realized and unrealized gains (losses)* \$	Balance at December 31, 2015 \$
<b>Assets</b>							
Asset-Backed Securities	21,021,592	8,699,285	(18,547,289)	16,635,560	(11,649,751)	(6,605,160)	9,554,237
Bank Debt	–	–	–	30,567,246	–	(1,691,695)	28,875,551
Corporate Bonds	21,480,200	–	–	27,041,675	(1,752,102)	(1,302,923)	45,466,850
Private Common Equity Securities	9,805,802	–	–	15,750,813	(929,556)	(6,157,439)	18,469,620
Private Preferred Equity Securities	146,518,131	–	(30,690,449)	116,536,645	(30,426,064)	26,799,290	228,737,553
Total Return Swaps – Long Contracts	8,237	–	–	–	–	32,950	41,187
Sovereign Debt	–	78,260	–	–	–	7,740	86,000
<b>Total Assets</b>	<b>198,833,962</b>	<b>8,777,545</b>	<b>(49,237,738)</b>	<b>206,531,939</b>	<b>(44,757,473)</b>	<b>11,082,763</b>	<b>331,230,998</b>
<b>Liabilities</b>							
Credit Default Swaps – Protection Sold	(4,150,708)	–	–	121,875	–	309,857	(3,718,976)
<b>Total Liabilities</b>	<b>(4,150,708)</b>	<b>–</b>	<b>–</b>	<b>121,875</b>	<b>–</b>	<b>309,857</b>	<b>(3,718,976)</b>
<b>Total change in unrealized loss of fair valued assets using significant unobservable inputs (Level 3) still held at December 31, 2015*</b>							<b>4,981,238</b>

\*Total change in realized and unrealized gain/(loss) recorded on Level 3 financial instruments are included in net realized and unrealized gain/loss on investment transactions in the Statement of Income.

For assets and liabilities that were transferred into Level 3 during the year, gains/(losses) are presented as if the assets or liabilities had been transferred into Level 3 at the beginning of the year; similarly, for assets and liabilities that were transferred out of Level 3 during the year, gains/(losses) are presented as if the assets or liabilities had been transferred out at the beginning of the year. During 2015, assets were transferred into Level 3 due to lack of observable inputs while assets were transferred out due to additional observable inputs.

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

## 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 dealer quotes, at cost or net asset value for investment in investment funds.

Investment	Fair Value \$	Valuation Techniques	Unobservable Input	Range
Private Equity Investments and Total Return Swaps	246,511,250	Discounted Cash Flow	Discount	10%-35%
			Duration	3 months
		Market Approach	Multiples	1.4-8x
		Latest Financing*	N/A	N/A
Corporate Bonds and Bank Debt	43,336,397	Discounted Cash Flow	Yield	10.40-11.42%
			Duration	3 years
			Credit Spread	986
			Volatility	25-35%
		Latest Financing*	N/A	N/A

\*Based on an observable input, therefore, not detailed in this table.

## 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, 2015, the Administrator received a fee of \$5,261,882.

## 4. Due from/to Brokers

The Partnership holds substantially all of its investments through its prime brokers (Goldman Sachs, 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, 2015, the Partnership's due from/to brokers includes a total non-U.S. currency balance of \$4,762,192.

## 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.

# Notes to Financial Statements *continued*

Year ended December 31, 2015

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

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 the Feeder and up to 10% can be allocated to the General Partner.

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, 2015, the General Partner received an incentive allocation of \$3,710,023.

## 6. Related Party Transactions

The Investment Manager does not charge the Partnership a management fee. Management fees are charged to the Feeder. No additional fees are charged to the Partnership by the Investment Manager or its affiliates for related entities discussed below.

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, 2015, the estimated fair value of the investment in the limited partnership was \$7,730,863. The Cayman HoldCo made net distributions of \$210,324,403 to the Partnership and realized losses of \$113,444,368 during the year ended December 31, 2015 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 on the accompanying Statement of Financial Condition, the underlying Condensed Schedule of Investments and the Statement of Income. 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.

## 6. Related Party Transactions (continued)

At December 31, 2015, the Partnership held four affiliated special purpose vehicles (the “SPVs”), which is a company organized for the purpose of achieving certain tax, regulatory or administrative efficiencies. The Partnership’s pro rata interest in the underlying assets and liabilities of the SPVs and the related income and expense are reflected accordingly on the accompanying Statement of Financial Condition, the underlying Condensed Schedule of Investments and the Statement of Income. As of December 31, 2015, the total fair value of the SPVs was \$42,897,332. The valuation policy with respect to investments held by the SPVs is the same as the Partnership’s valuation policy as described in Note 2. The Partnership invests in the SPVs alongside other affiliated entities.

Third Point Loan LLC (“Loan LLC”) and Third Point Ventures LLC (“Ventures LLC”), (collectively the “Nominees”), serve as nominees of the Partnership and other affiliated investment management clients of the Investment Manager for certain investments. The Nominees have appointed the Investment Manager as their true and lawful agent and attorney. At December 31, 2015, Loan LLC held \$313,380,074 and Ventures LLC held \$51,229,222 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 accordingly in the accompanying Statement of Financial Condition, Condensed Schedule of Investments, and the Statement of Income. 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, 2015, 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, 2015, the Partnership owned 5,279,753 U.S. Dollar Shares of ListCo with a total market value of \$77,585,971 and an unrealized gain of \$33,623,467 related to the share buy-back program. All gains or losses and implied financing costs are allocated entirely to ListCo’s shares in the Feeder.

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. The Partnership’s interest in the Hellenic Fund is highly illiquid due to the nature of underlying investments. The Partnership committed \$71,603,000 to the Hellenic Fund, of which \$4,534,857 was called and \$1,670,737 was distributed during the year ended December 31, 2015. As of December 31, 2015, the Partnership’s remaining unfunded commitment to the Hellenic Fund was \$21,604,068. As of December 31, 2015, the estimated fair value of the investment in the Hellenic Fund was \$34,029,246. The valuation policy with respect to this investment in a limited partnership is further described in Note 2.

As of December 31, 2015, employees and partners of the Investment Manager were directors for 22 portfolio companies in which the Partnership invests.

## 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.

# Notes to Financial Statements continued

Year ended December 31, 2015

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

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.

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, 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, 2015, the portfolio had a maximum payout amount of \$148,976,800 relating to written put option contracts with expiration 13 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 these written put options as of December 31, 2015 is \$9,117,750 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.

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

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



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

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

Upon selling credit default swap protection, the Partnership may expose itself to the risk of loss from related credit events specified in the contract. Credit spreads of the underlying together with the period of expiration is indicative of the likelihood of a credit event under the credit default swap contract and the Partnership's risk of loss. Higher credit spreads and shorter expiration dates are indicative of a higher likelihood of a credit event resulting in the Partnership's payment to the buyer of protection. Lower credit 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, 2015 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, 2015:

Credit Spreads on underlying (basis points)	Maximum Payout/ Notional Amount (by period of expiration)			Fair Value of Written Credit Derivatives <sup>(2)</sup>		
	0-5 years \$	5 years or Greater Expiring Through 2047 \$	Total Written Credit Default Swaps <sup>(1)</sup> \$	Asset \$	Liability \$	Net Asset/ (Liability) \$
Single name (0-250)	–	10,890,476	10,890,476	–	5,763,163	(5,763,163)
Single name (251-570)	12,773,517	–	12,773,517	–	2,060,522	(2,060,522)
<b>Total</b>	<b>12,773,517</b>	<b>10,890,476</b>	<b>23,663,993</b>	<b>–</b>	<b>7,823,685</b>	<b>(7,823,685)</b>

(1) As of December 31, 2015, 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, 2015. 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, 2015, the Partnership's maximum counterparty credit risk exposure was \$156,091,222.

**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



# Notes to Financial Statements continued

Year ended December 31, 2015

## 8. Derivative Contracts (continued)

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 on the Statement of Financial Condition, categorized by primary underlying risk, as of December 31, 2015. Balances are presented on a gross basis, prior to the application of the impact of counterparty netting.

As of December 31, 2015			
	Listing currency <sup>(1)</sup>	Fair Value <sup>(2)</sup> \$	Notional Amounts <sup>(3)</sup> \$
<b>Derivative Assets by Primary Underlying Risk</b>			
<b>Credit</b>			
Credit Default Swaps – Protection Purchased	EUR/USD	77,876,762	654,316,925
<b>Equity Price</b>			
Contracts for Differences – Long Contracts	EUR/GBP	842,978	138,714,831
Contracts for Differences – Short Contracts	CHF/EUR/GBP/JPY/NOK/USD	21,378,283	286,203,089
Total Return Swaps – Long Contracts	USD	1,450,348	249,001,152
Total Return Swaps – Short Contracts	JPY/USD	1,660,044	33,652,533
Options Contracts – Purchased	USD	24,435,962	230,058,000
<b>Foreign Currency Exchange Rates</b>			
Foreign Currency Forward Contracts	CAD/EUR/GBP/MXN/SAR	6,173,965	535,172,013
Foreign Currency Options – Purchased	CNH/EUR/SAR/USD	14,505,847	678,761,197
<b>Index</b>			
Options Contracts – Purchased	JPY/USD	7,201,526	729,478,753
<b>Interest Rates</b>			
Commodity Futures – Short Contracts	USD	247,883	61,190,462
Interest Rate Swaptions	USD	317,624	154,654,624
<b>Total Derivative Assets</b>		<b>156,091,222</b>	<b>3,751,203,579</b>
<b>Derivative Liabilities by Primary Underlying Risk</b>			
<b>Credit</b>			
Credit Default Swaps – Protection Purchased	EUR/USD	12,385,678	138,317,262
Credit Default Swaps – Protection Sold	USD	7,823,685	23,663,993
<b>Equity Price</b>			
Contracts for Differences – Long Contracts	GBP/USD	1,347,311	19,123,925
Contracts for Differences – Short Contracts	EUR/GBP/USD	11,842,154	177,899,689
Total Return Swaps – Long Contracts	JPY/USD	10,816,805	588,002,948
Total Return Swaps – Short Contracts	AUD/JPY/USD	1,363,265	68,151,463
Options Contracts – Sold	USD	12,978,126	431,200,300
<b>Foreign Currency Exchange Rates</b>			
Foreign Currency Forward Contracts	GBP/JPY/SAR	4,371,041	330,525,583
Foreign Currency Options – Sold	CNH/SAR	1,665,830	415,585,749
<b>Index</b>			
Options Contracts – Sold	JPY/USD	2,425,593	798,104,504
<b>Interest Rates</b>			
Commodity Futures – Short Contracts	USD	67,133	47,201,250
Interest Rate Swaptions	USD	60,466	308,734,466
<b>Total Derivative Liabilities</b>		<b>67,147,087</b>	<b>3,346,511,132</b>

(1) AUD = Australian Dollar, CAD = Canadian Dollar, CHF = Swiss Franc, CNH = Chinese Yuan, EUR = Euro, GBP = British Pound, JPY = Japanese Yen, MXN = Mexican Peso, NOK = Norwegian Krone, SAR = Saudi Arabian Riyal, USD = US Dollar

(2) The Fair Value presented above includes the fair value of Derivative Contract assets as well as gross Option contract assets of approximately \$31.64 million included in Investments in Securities, at fair value in the Statement of Financial Condition and approximately \$15.4 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, 2015, which is representative of the volume of derivatives held during the year.

# Notes to Financial Statements continued

Year ended December 31, 2015

## 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, 2015. These realized and unrealized gains/(losses) are included in the net realized and net change in unrealized gain/loss from securities, affiliated funds, derivative contracts and foreign currency translations on the Statement of Income.

	Realized Gain/(Loss) \$	Unrealized Gain/(Loss) \$
<b>Primary Underlying Risk</b>		
<b>Commodity Price</b>		
Commodity Futures – Long Contracts	(5,336,388)	–
Commodity Future Options – Purchased	(1,270,000)	1,263,650
Commodity Future Options – Sold	1,207,450	(1,194,740)
Commodity Futures – Short Contracts	(2,210,513)	803,954
Options Contracts – Purchased	(1,649,116)	–
<b>Credit</b>		
Credit Default Swaps – Protection Purchased	1,920,413	20,235,232
Credit Default Swaps – Protection Sold	1,855,551	(1,993,739)
<b>Equity Price</b>		
Contracts for Differences – Long Contracts	(20,159,021)	2,757,662
Contracts for Differences – Short Contracts	29,548,788	9,320,584
Total Return Swaps – Long Contracts	28,126,233	(6,935,910)
Total Return Swaps – Short Contracts	(5,063,427)	146,746
Options Contracts – Purchased	(3,632,548)	4,908,103
Options Contracts – Sold	(12,567,547)	(2,340,873)
<b>Index</b>		
Index Futures – Long Contracts	4,212,003	–
Options Contracts – Purchased	(124,542,631)	11,782,806
Options Contracts – Sold	109,947,642	(2,968,303)
<b>Interest Rates</b>		
Bond Futures – Short Contracts	(9,460,918)	–
Interest Rate Swaps	437,651	–
Interest Rate Swaptions	(2,840,006)	(136,401)
Treasury Futures – Short Contracts	(10,459,990)	1,251,765
<b>Foreign Currency Exchange Rates</b>		
Foreign Currency Forward Contracts	96,065,556	(16,373,555)
Foreign Currency Options – Purchased	2,842,780	(6,286,525)
Foreign Currency Options – Sold	4,627,754	1,203,570
<b>Total</b>	<b>81,599,716</b>	<b>15,444,026</b>

## 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, 2015, no termination events were triggered under the ISDA Master Agreements. As of December 31, 2015, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position is \$6,692,886 for which the Partnership has posted \$188,757,127 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 \$10,477,674 in the form of cash from certain counterparties as of December 31, 2015. If the credit-risk-related contingent features underlying these instruments had been triggered as of December 31, 2015 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, 2015

## 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, 2015, the gross and net amounts of derivative instruments and the cash collateral applicable to derivative instruments were as follows:

Financial Assets, Derivative Assets and Collateral received by Counterparty:

Derivative Contracts	Gross Amounts of Assets Presented in the Statement of Financial Condition <sup>(1)</sup> \$	Financial Instruments \$	Cash Collateral Received \$	Net Amount \$
Counterparty 1	7,723,676	7,723,676	–	–
Counterparty 2	17,172,434	3,393,378	–	13,779,056
Counterparty 3	23,217,090	9,210,506	–	14,006,584
Counterparty 4	12,365,124	11,726,128	–	638,996
Counterparty 5	52,305,358	14,791,334	–	37,514,024
Counterparty 6	26,206,741	3,254,387	7,827,978	15,124,376
Counterparty 7	3,244,300	–	1,594,080	1,650,220
Counterparty 8	5,567,402	5,567,402	–	–
Counterparty 9	7,064,714	2,341,884	–	4,722,830
Counterparty 10	1,183,196	–	645,447	537,749
Counterparty 12	41,187	–	–	41,187
<b>Total</b>	<b>156,091,222</b>	<b>58,008,695</b>	<b>10,067,505</b>	<b>88,015,022</b>

**8. Derivative Contracts (continued)**

Financial Liabilities, Derivative Liabilities and Collateral pledged by Counterparty:

**Gross Amounts not Offset in the Statement of Financial Condition**

Derivative Contracts	Gross Amounts of Liabilities Presented in the Statement of Financial Condition <sup>(2)</sup> \$	Financial Instruments \$	Cash Collateral Pledged \$	Net Amount \$
Counterparty 1	9,400,208	7,723,676	1,676,532	–
Counterparty 2	3,393,378	3,393,378	–	–
Counterparty 3	9,210,506	9,210,506	–	–
Counterparty 4	11,726,128	11,726,128	–	–
Counterparty 5	14,791,334	14,791,334	–	–
Counterparty 6	3,254,387	3,254,387	–	–
Counterparty 8	9,991,407	5,567,402	–	4,424,005
Counterparty 9	2,341,884	2,341,884	–	–
Counterparty 14	592,349	–	592,349	–
<b>Total</b>	<b>64,701,581</b>	<b>58,008,695</b>	<b>2,268,881</b>	<b>4,424,005</b>

**Repurchase Agreements/Loaned Securities**

Counterparty 3	401,715	390,368	–	11,347
Counterparty 4	33,908,222	33,908,222	–	–
<b>Total</b>	<b>34,309,937</b>	<b>34,298,590</b>	<b>–</b>	<b>11,347</b>

(1) The Gross Amounts of Assets Presented in the Statement of Financial Condition presented above includes the fair value of Derivative Contract assets as well as gross OTC option contract assets of \$31.64 million included in Investments in Securities, at fair value in the Statement of Financial Condition.

(2) The Gross Amounts of Liabilities Presented in the Statement of Financial Condition presented above includes the fair value of Derivative Contract assets as well as gross OTC option contract assets of \$12.96 million included in Securities Sold, not yet Purchased in the Statement of Financial Condition.

**9. Indemnifications**

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

# Notes to Financial Statements continued

Year ended December 31, 2015

## 10. Financial Highlights

The following represents the ratios to average Feeder capital and total return information for the year ended December 31, 2015:

Ratios to average Feeder capital:	
Total expenses	0.55%
Incentive allocation	0.05%
<b>Total expenses and incentive allocation</b>	<b>0.60%</b>
<b>Net investment income</b>	<b>1.47%</b>

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

Total return before incentive allocation	0.64%
Incentive allocation	(0.04)%
<b>Total return after incentive allocation</b>	<b>0.60%</b>

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

## 11. Subsequent Events

Subsequent to December 31, 2015, the Partnership received approximately \$160.9 million in capital contributions and recorded capital withdrawal requests of approximately \$208.9 million for the quarter ended March 31, 2016. Subsequent events were evaluated by the Partnership's management until March 18, 2016, which is the date the financial statements were available to be issued.

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