



THIRD POINT OFFSHORE FUND, LTD.

FINANCIAL STATEMENTS

Year Ended December 31, 2014

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, 2014, 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, 2014, 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 20, 2015

A member firm of Ernst & Young Global Limited

Statement of Assets and Liabilities

December 31, 2014

(Stated in United States Dollars)

\$

Assets

Cash	25,158,271
Investment in Third Point Offshore Master Fund L.P., at fair value	7,588,971,726
Investment in affiliated portfolio fund, at fair value (cost \$109,780,325)	195,612,583
Redemptions receivable from Third Point Offshore Master Fund L.P.	148,823,909
Total assets	7,958,566,489

Liabilities

Shareholder redemptions payable	148,823,909
Shareholder subscriptions received in advance	25,155,000
Deferred compensation payable	297,592,328
Management fee payable	246,880
Accrued expenses	124,250
Total liabilities	471,942,367
Net assets	7,486,624,122

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, 2014

Description	Fair Value \$	Percentage of Net Assets %
Investment in Third Point Offshore Master Fund L.P.	7,588,971,726	101.37
Investment in Affiliated Portfolio Fund		
<i>Latin America and the Caribbean:</i>		
Investment Company	195,612,583	2.61
Total Investment in Affiliated Portfolio Fund (cost \$109,780,325)	195,612,583	2.61
<i>See accompanying notes and attached financial statements of Third Point Offshore Master Fund L.P.</i>		

Statement of Operations

Year ended December 31, 2014

(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, derivative contracts and foreign currency translations	865,504,144
Net change in unrealized gain on securities and foreign currency translations	(299,602,302)
Net change in unrealized gain on derivative contracts and foreign currency translations	(66,608,728)
Net gain from currencies	6,420,728
Net realized and unrealized gain on investment transactions allocated from Third Point Offshore Master Fund L.P.	505,713,842

Fund realized and unrealized gain/(loss) on investments

Net realized gain on affiliated portfolio fund	3,395,076
Net change in unrealized gain on affiliated portfolio fund	24,392,164
Net Fund realized and unrealized gain on investments	27,787,240

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

Interest	71,572,568
Dividends, net of withholding taxes of \$15,432,625	42,782,870
Stock loan fees	365,299
Total investment income allocated from Third Point Offshore Master Fund L.P.	114,720,737

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

Incentive allocation	90,304,256
Interest	10,409,633
Dividends on securities sold, not yet purchased	516,582
Stock borrow fees	523,218
Administrative and professional fees	12,175,904
Other	9,447,060
Total investment expenses allocated from Third Point Offshore Master Fund L.P.	123,376,653
Net investment loss allocated from Third Point Offshore Master Fund L.P.	(8,655,916)

(Stated in United States Dollars)

\$

Fund expenses

Management fee	136,520,645
Appreciation of deferred compensation	36,134,642
Administrative and professional fees	181,661
Other	78,836
Total Fund expenses	172,915,784
Net investment loss	(181,571,700)
Net increase in net assets resulting from operations	351,929,382

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, 2014

(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, derivative contracts and foreign currency translations	865,504,144
Net change in unrealized gain on securities and foreign currency translations	(299,602,302)
Net change in unrealized gain on derivative contracts and foreign currency translations	(66,608,728)
Net gain from currencies	6,420,728
Net investment loss	(8,655,916)
Net realized gain on affiliated portfolio fund	3,395,076
Net change in unrealized gain on affiliated portfolio fund	24,392,164
Total Fund expenses	(172,915,784)
Net increase in net assets resulting from operations	351,929,382

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

Class E Shares issued	1,025,925,584
Class F Shares issued	451,012,293
Class A Shares redeemed	(1,167,853)
Class C Shares redeemed	(12,498,727)
Class D Shares redeemed	(1,348,100)
Class E Shares redeemed	(241,742,824)
Class F Shares redeemed	(262,040,657)
Class E Shares transferred in	24,544,035
Class E Shares transferred out	(6,659,459)
Class F Shares transferred in	6,659,459
Class F Shares transferred out	(24,544,035)
Redemption fee income	1,528
Net increase in net assets resulting from capital share transactions	958,141,244
Net increase in net assets	1,310,070,626
Net assets at beginning of year	6,176,553,496
Net assets at end of year	7,486,624,122

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

Statement of Cash Flows

Year ended December 31, 2014

(Stated in United States Dollars)

\$

Cash flows from operating activities

Net increase in net assets resulting from operations	351,929,382
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Purchases of affiliated portfolio fund	(5,500,000)
Proceeds from disposition of affiliated portfolio fund	7,000,000
Net realized gain on affiliated portfolio fund	(3,395,076)
Net change in unrealized gain on affiliated portfolio fund	(24,392,164)
Changes in operating assets and liabilities:	
Increase in investment in Third Point Offshore Master Fund L.P.	(1,312,544,554)
Decrease in redemptions receivable from Third Point Offshore Master Fund L.P.	456,344,247
Increase in deferred compensation payable	28,634,642
Increase in management fee payable	70,645
Increase in accrued expenses	58,555
Net cash used in operating activities	(501,794,323)

Cash flows from financing activities

Proceeds from issuance of shares	1,501,292,877
Payments for redemption of shares	(975,140,880)
Net cash provided by financing activities	526,151,997

Net increase in cash	24,357,674
Cash at beginning of year	800,597
Cash at end of year	25,158,271

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

Notes to Financial Statements

Year ended December 31, 2014

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. 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 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*. The Investment Manager evaluated this guidance and determined that the Partnership meets the criteria to be classified as an investment company.

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. Such open tax years remain subject to examination by tax authorities.

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, 2014, the Fund did not incur any interest or penalties.

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.

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

2. Significant Accounting Policies (continued)

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.

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 \$7,588,971,726 at December 31, 2014. The fair value represents the amount the Fund would expect to receive at December 31, 2014 if it were to liquidate its investment in the Master Partnership. The percent of the Master Partnership owned by the Fund at December 31, 2014 was approximately 99.3%. 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 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.

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 would 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

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

Notes to Financial Statements *continued*

Year ended December 31, 2014

2. Significant Accounting Policies (continued)

other valuation methodologies. The types of assets and liability that are classified at this level would 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 would 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 such 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.

The following is a summary of the inputs utilized in valuing the Fund's assets carried at fair value as of December 31, 2014:

Fair Value Measurements at December 31, 2014

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Investment in Affiliated Portfolio Fund	–	–	195,612,583	195,612,583

2. Significant Accounting Policies (continued)

The following table is a reconciliation of assets the Fund held during the year ended December 31, 2014 at fair value using significant unobservable inputs (Level 3):

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	January 1, 2014 \$	Transfers into Level 3 \$	Purchases \$	Sales \$	Realized and unrealized gains (losses)* \$	December 31, 2014 \$
Assets						
Investment in Affiliated Portfolio Fund	169,325,343	–	5,500,000	(7,000,000)	27,787,240	195,612,583
Total change in unrealized gain of fair valued assets using significant unobservable inputs (Level 3) still held at December 31, 2014*						24,392,164

*Total change in realized and unrealized gain recorded on Level 3 financial instruments is included in net Fund realized and unrealized gain on investments in the statement of operations.

For assets and liabilities that were transferred into Level 3 during the period, 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. There were no transfers into or out of Level 3 during the year ended December 31, 2014.

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 J Class 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, 2014, the management fee expense was \$136,520,645, of which \$246,880 was payable at December 31, 2014.

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.

Notes to Financial Statements *continued*

Year ended December 31, 2014

3. Related Party Transactions (continued)

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, 2014, the Investment Manager redeemed \$7,500,000 attributable to deferred compensation earned in prior years. As of December 31, 2014, deferred compensation payable was \$297,592,328 and is scheduled for distribution from the year 2015 through 2017. For the year ended December 31, 2014, the deferred compensation payable appreciated \$36,134,642.

In relation to the Deferred Fee Agreement, the Fund invested in an affiliated portfolio fund during the year ended December 31, 2014. 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, 2014 was \$195,612,583.

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, 2014, there were eight outstanding classes (each, a "Class") of shares: Class A, B, C, D, E, F, H and J, and within each class there is one or more separate series. Each share is equal to every other share of the same series with respect to earnings, assets, dividends and voting privileges. Class E 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, H and J 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

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

4. Share Capital (continued)

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, 2014	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, 2014	Net Asset Value Per Share at December 31, 2014 \$
Class B, Series 1	684	2,938	–	–	–	–	–	–	3,622	599.45
Class C, Series 1	60,773	2,180	–	–	–	(3,250)	–	(20,803)	38,900	630.19
Class D, Series 1	130,083	87	–	–	–	–	–	(2,316)	127,854	589.83
Class E, Series 1	7,102,231	3,989,811	–	(21,897)	–	(2,814)	–	(583,255)	10,484,076	337.02
Class F, Series 1	3,435,149	860,210	–	(75,179)	–	(12,458)	–	(230,430)	3,977,292	329.38
Class H, Series 1	757,471	–	–	–	–	–	–	–	757,471	205.34
Class J, Series 1	4,088	–	–	–	–	–	–	–	4,088	233.13
Class A, Series 1-2	126,010	479	–	–	–	–	–	(1,870)	124,619	621.51
Class B, Series 1-4	2,885	(2,885)	–	–	–	–	–	–	–	–
Class C, Series 1-8	1,223	(1,223)	–	–	–	–	–	–	–	–
Class C, Series 1-9	15	(15)	–	–	–	–	–	–	–	–
Class D, Series 1-11	83	(83)	–	–	–	–	–	–	–	–
Class C, Series 1-12	926	(926)	–	–	–	–	–	–	–	–
Class E, Series 1-26	7,141	(7,141)	–	–	–	–	–	–	–	–
Class E, Series 2	767,620	(767,620)	–	–	–	–	3,450	–	3,450	107.42
Class F, Series 2	1,853	(1,853)	–	–	–	–	20,000	–	20,000	102.95
Class E, Series 3	14,175	(14,175)	–	–	–	–	39,801	–	39,801	107.42
Class F, Series 3	13,899	(13,899)	–	–	11,000	–	–	–	11,000	102.11
Class A, Series 3-1-2	481	(481)	–	–	–	–	–	–	–	–
Class E, Series 4	21,761	(21,761)	–	–	–	–	67,167	–	67,167	107.42
Class F, Series 4	481,848	(481,848)	–	–	–	–	5,000	–	5,000	102.11
Class E, Series 5	4,839	(4,839)	–	–	–	–	13,912	–	13,912	107.42
Class F, Series 5	16,746	(16,746)	–	–	–	–	26,967	(26,967)	–	–
Class E, Series 6	109,805	(109,805)	–	–	–	–	9,169	–	9,169	107.42
Class F, Series 6	2,178	(2,178)	–	–	–	–	71,733	(71,733)	–	–
Class E, Series 7	4,636,610	(4,636,610)	–	–	–	–	22,934	–	22,934	107.42

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

Notes to Financial Statements *continued*

Year ended December 31, 2014

4. Share Capital (continued)

	Shares Outstanding at January 1, 2014	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, 2014	Net Asset Value Per Share at December 31, 2014 \$
Class F, Series 7	1,158	(1,158)	—	—	—	—	21,743	(21,743)	—	—
Class E, Series 8	23,165	(23,165)	—	—	—	—	1,961	—	1,961	107.42
Class F, Series 8	5,352	(5,352)	—	—	—	—	39,675	(39,675)	—	—
Class E, Series 9	3,781,368	—	—	—	120,726	(3,001)	—	(203,429)	3,695,664	218.86
Class F, Series 9	30,114	(30,114)	—	—	—	—	15,697	(15,697)	—	—
Class E, Series 10	390,874	—	—	—	4,035	(57,050)	—	(17,959)	319,900	160.57
Class F, Series 10	12,662	(12,662)	—	—	—	—	20,121	(20,121)	—	—
Class E, Series 11	78,784	—	—	—	—	(78,784)	—	—	—	—
Class F, Series 11	5,760	(5,760)	—	—	—	—	7,686	(7,686)	—	—
Class E, Series 12	704,224	(704,224)	—	—	—	—	7,071	—	7,071	107.42
Class F, Series 12	5,855	(5,855)	—	—	—	—	7,483	(7,483)	—	—
Class E, Series 13	2,011	(2,011)	—	—	—	—	84,000	—	84,000	103.27
Class F, Series 13	13,859	—	—	—	—	(13,859)	15,870	(15,870)	—	—
Class E, Series 14	46,332	(46,332)	—	—	—	—	196,680	—	196,680	103.57
Class F, Series 14	5,844	(5,844)	—	—	—	—	20,121	(20,121)	—	—
Class E, Series 15	9,266	(9,266)	2,002	—	—	—	—	—	2,002	330.44
Class F, Series 15	3,215	(3,215)	—	—	—	—	107,869	(107,869)	—	—
Class E, Series 16	864	(864)	—	—	—	—	2,654,680	—	2,654,680	101.16
Class F, Series 16	28,630	(28,630)	—	—	—	—	89,666	(89,666)	—	—
Class E, Series 17	3,501	(3,501)	—	—	—	—	996	—	996	99.36
Class F, Series 17	1,740	(1,740)	—	—	—	—	158,585	(158,585)	—	—
Class E, Series 18	83,285	(83,285)	—	—	—	—	698	—	698	99.36
Class F, Series 18	5,366	(5,366)	—	—	—	—	118,169	(118,169)	—	—
Class E, Series 19	2,317	(2,317)	—	—	—	—	219	—	219	99.36
Class F, Series 19	3,108	(3,108)	—	—	—	—	15,786	(15,786)	—	—
Class E, Series 20	2,930	(2,930)	—	—	—	—	6,335	—	6,335	99.36
Class F, Series 20	7,538	(7,538)	—	—	—	—	74,589	(74,589)	—	—
Class E, Series 21	46,330	(46,330)	—	—	—	—	333	—	333	99.36

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

4. Share Capital (continued)

	Shares Outstanding at January 1, 2014	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, 2014	Net Asset Value Per Share at December 31, 2014 \$
Class F, Series 21	–	–	–	–	–	–	8,000	–	8,000	105.42
Class E, Series 22	6,640	(6,640)	–	–	–	–	127	–	127	99.36
Class F, Series 22	–	(15,028)	–	–	15,028	–	88,465	(88,465)	–	–
Class E, Series 23	3,567	(3,567)	–	–	–	–	2,513,320	–	2,513,320	99.36
Class F, Series 23	–	–	–	–	–	–	26,827	(26,827)	–	–
Class E, Series 24	4,197	(4,197)	8,390	–	–	–	–	–	8,390	330.34
Class F, Series 24	–	–	–	–	–	–	96,524	(96,524)	–	–
Class E, Series 25	7,423	(7,423)	–	–	–	–	–	–	–	–
Class F, Series 25	–	–	–	–	10,122	–	–	–	10,122	99.52
Class E, Series 26	3,406	(3,406)	–	–	–	–	–	–	–	–
Class F, Series 26	–	–	–	–	9,632	–	–	–	9,632	99.52
Class E, Series 27	927	(927)	–	–	–	–	606,159	–	606,159	101.07
Class F, Series 27	–	–	–	–	–	–	150,000	(150,000)	–	–
Class E, Series 28	–	–	62,729	–	–	–	–	–	62,729	331.05
Class F, Series 28	–	–	–	–	–	–	1,770,966	(411,570)	1,359,396	99.67
Class E, Series 29	–	–	–	–	–	–	3,702,866	–	3,702,866	99.68
Class F, Series 29	–	–	–	–	–	–	904,950	(283,350)	621,600	99.01
Class E, Series 30	–	–	–	–	–	–	5,000	–	5,000	105.76
Class F, Series 30	–	–	19,973	–	–	–	–	–	19,973	337.00
Class E, Series 31	15,704	(15,704)	2,058	–	–	–	–	–	2,058	330.34
Class F, Series 31	–	–	–	–	–	–	10,000	–	10,000	101.06
Class F, Series 32	–	–	–	–	5,354	–	–	–	5,354	99.67
Class F, Series 33	–	–	–	–	3,450	–	–	–	3,450	99.67
Class E, Series 34	–	(28,337)	–	–	28,337	–	–	–	–	–
Class F, Series 34	–	–	–	–	1,348	–	–	–	1,348	99.67
Class E, Series 35	–	–	–	–	–	–	85,000	–	85,000	98.46
Class F, Series 38	427,033	(427,033)	–	–	–	–	–	–	–	–

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

Notes to Financial Statements *continued*

Year ended December 31, 2014

4. Share Capital (continued)

	Shares Outstanding at January 1, 2014	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, 2014	Net Asset Value Per Share at December 31, 2014 \$
Class E, Series 39	1,481,744	(1,481,744)	—	—	—	—	—	—	—	—
Class F, Series 39	413,254	(413,254)	—	—	—	—	—	—	—	—
Class F, Series 3-39	67,643	(67,643)	—	—	—	—	—	—	—	—
Class E, Series 4-39	3,938	(3,938)	—	—	—	—	—	—	—	—
Class E, Series 5-39	2,317	(2,317)	—	—	—	—	—	—	—	—
Class E, Series 40	93,128	(93,128)	—	—	—	—	—	—	—	—
Class F, Series 3-40	79,226	(79,226)	—	—	—	—	—	—	—	—
Class E, Series 60	276,155	—	—	—	—	—	—	—	276,155	145.56
Class F, Series 60	23,258	—	—	—	—	—	—	—	23,258	148.84
Class F, Series 60-1	27,057	—	—	—	—	—	—	(1,412)	25,645	148.55
Class E, Series 60-2	14,641	—	—	—	—	—	—	—	14,641	153.15
Class F, Series 60-2	8,386	—	—	—	—	—	—	—	8,386	156.77
Class E, Series 60-3	3,892	—	—	—	—	—	—	—	3,892	145.56
Class F, Series 60-3	1,112	—	—	—	—	—	—	—	1,112	155.83
Class E, Series 60-4	927	—	—	—	—	—	—	—	927	149.94
Class F, Series 60-4	7,413	—	—	—	—	—	—	—	7,413	151.35
Class E, Series 60-5	340	—	—	—	—	—	—	—	340	176.01
Class F, Series 60-5	3,012	—	—	—	—	—	—	—	3,012	156.09
Class E, Series 60-6	5,931	—	—	—	—	—	—	—	5,931	131.93
Class F, Series 60-6	1,344	—	—	—	—	—	—	—	1,344	147.97
Class F, Series 60-7	2,780	—	—	—	—	—	—	—	2,780	149.20
Class E, Series 60-8	4,139	—	—	—	—	—	—	—	4,139	337.02
Class F, Series 60-8	5,884	—	—	—	—	—	—	—	5,884	146.85
Class E, Series 60-9	884	—	—	—	—	—	—	—	884	145.56
Class F, Series 60-9	3,799	—	—	—	—	—	—	—	3,799	142.34
Class E, Series 60-10	2,041	—	—	—	—	—	—	—	2,041	337.02
Class F, Series 60-10	927	—	—	—	—	—	—	—	927	139.21
Class E, Series 60-11	479	—	—	—	—	—	—	—	479	337.02
Class F, Series 60-11	2,131	—	—	—	—	—	—	—	2,131	135.56

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

4. Share Capital (continued)

	Shares Outstanding at January 1, 2014	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, 2014	Net Asset Value Per Share at December 31, 2014 \$
Class E, Series 60-12	–	–	–	–	–	–	100,000	–	100,000	99.88
Class F, Series 60-12	2,872	–	–	–	–	–	–	–	2,872	120.38
Class E, Series 60-13	–	–	–	–	–	–	50,000	–	50,000	99.36
Class F, Series 60-13	–	–	–	–	–	–	53,750	(2,000)	51,750	99.01
Class E, Series 60-14	–	–	1,924	–	–	–	–	–	1,924	337.02
Class F, Series 60-14	–	–	–	–	–	–	563,880	–	563,880	99.67
Class E, Series 61-1	111,661	–	–	–	–	–	–	–	111,661	149.74
Class F, Series 3-61-1	1,297	–	–	–	–	–	–	–	1,297	148.86
Class E, Series 61-2	1,946	–	–	–	–	–	–	(1,946)	–	–
Class F, Series 3-61-2	927	–	–	–	–	–	–	–	927	148.55
Class E, Series 61-3	1,714	–	–	–	–	–	–	–	1,714	153.06
Class E, Series 61-4	52,819	–	–	–	–	–	–	–	52,819	145.56
Class F, Series 3-61-4	1,297	–	–	–	–	–	–	–	1,297	120.38
Class E, Series 61-5	1,853	–	–	–	–	–	–	–	1,853	157.73
Class E, Series 61-6	18,533	–	–	–	–	–	–	–	18,533	131.93
Class E, Series 61-7	1,052	–	–	–	–	–	–	–	1,052	131.93
Class E, Series 61-8	108,924	–	–	–	–	–	–	–	108,924	120.87
Class E, Series 61-9	144,551	–	–	–	–	–	–	–	144,551	119.09
Class E, Series 61-10	3,191	–	–	–	–	–	–	–	3,191	337.02
Class E, Series 61-11	–	–	–	–	–	–	23,780	–	23,780	101.16
Class E, Series 61-12	–	–	–	–	–	–	27,600	–	27,600	99.36
Class E, Series 61-13	–	–	–	–	–	–	36,000	–	36,000	99.68
Class E, Series 63	2,198,551	(2,198,551)	–	–	–	–	–	–	–	–
Class F, Series 63	395,667	(395,667)	–	–	–	–	–	–	–	–
Class E, Series 63-1	5,560	(5,560)	–	–	–	–	–	–	–	–
Class E, Series 64	186,598	(186,598)	–	–	–	–	–	–	–	–

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

Notes to Financial Statements *continued*

Year ended December 31, 2014

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, 2014.

	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	Class J, Series 1
Per share operating performance								
Net asset value at beginning of year	\$587.64	\$568.65	\$595.84	\$559.52	\$318.65	\$312.46	\$195.38	\$222.01
Income from investment operations:								
Net realized and unrealized gain on investments	47.48	43.47	48.15	42.78	25.75	23.89	14.16	17.92
Net investment loss	(13.61)	(12.67)	(13.80)	(12.47)	(7.38)	(6.97)	(4.20)	(6.80)
Total from investment operations	33.87	30.80	34.35	30.31	18.37	16.92	9.96	11.12
Net asset value at the end of the year	\$621.51	\$599.45	\$630.19	\$589.83	\$337.02	\$329.38	\$205.34	\$233.13
Total return before incentive fee	7.20%	6.77%	7.20%	6.77%	7.20%	6.77%	6.37%	6.68%
Incentive fee	(1.44)	(1.35)	(1.44)	(1.35)	(1.44)	(1.35)	(1.27)	(1.67)
Total return after incentive fee	5.76%	5.42%	5.76%	5.42%	5.76%	5.42%	5.10%	5.01%
Ratios to average net assets								
Total expenses before incentive fee and appreciation of deferred compensation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.01%
Incentive fee	1.39	1.31	1.39	1.31	1.39	1.31	1.23	1.61
Total expenses before appreciation of deferred compensation	3.89%	3.81%	3.89%	3.81%	3.89%	3.81%	3.73%	4.62%
Appreciation of deferred compensation	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
Total expenses	4.42%	4.34%	4.42%	4.34%	4.42%	4.34%	4.26%	5.15%
Net investment loss	(2.77%)	(2.68%)	(2.76%)	(2.68%)	(2.76%)	(2.68%)	(2.60%)	(3.50%)

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, 2014, the Fund received approximately \$34.7 million in capital subscriptions, of which \$25,155,000 was received in advance, and recorded redemptions of approximately \$201.6 million. Subsequent events were evaluated by the Fund's management until March 20, 2015, 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, 2014

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, 2014, 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, 2014, and the results of its operations, the changes in its partners' capital and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 20, 2015

Statement of Financial Condition

December 31, 2014

(Stated in United States Dollars)

\$

Assets

Cash	5,162,413
Investments in securities, at fair value (cost \$7,627,517,304)	8,171,347,777
Due from brokers	574,839,846
Securities purchased under an agreement to resell	133,909,947
Derivative contracts, at fair value (net upfront fees paid and cost of \$43,407,537)	93,285,528
Interest and dividends receivable	16,126,417
Other assets	1,787,206
Total assets	8,996,459,134

Liabilities and Partners' Capital

Securities sold, not yet purchased, at fair value (proceeds \$374,505,583)	361,012,075
Due to brokers	695,920,266
Derivative contracts, at fair value (net upfront fees received and proceeds of \$20,611,666)	46,568,615
Withdrawals payable to Limited Partner	148,823,909
Withdrawals payable to General Partner	100,000,000
Interest and dividends payable	3,063,815
Accrued expenses	2,231,797
Total liabilities	1,357,620,477

Commitments (See Note 6)

Partners' capital	7,638,838,657
Total liabilities and partners' capital	8,996,459,134

See accompanying notes.

Condensed Schedule of Investments

December 31, 2014

(Stated in United States Dollars) Description	Shares	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities			
Equity Securities			
<i>North America:</i>			
Basic Materials			
Dow Chemical Company	9,095,800	414,859,438	5.43
Other		73,803,832	0.97
Total Basic Materials		488,663,270	6.40
Communications		60,200,337	0.79
Consumer, Cyclical		621,116,270	8.13
Consumer, Non-Cyclical			
Amgen Inc.	4,413,500	703,026,415	9.20
Other		715,215,221	9.36
Total Consumer, Non-Cyclical		1,418,241,636	18.56
Energy		320,404,079	4.19
Financial		544,705,302	7.14
Funds		43,492,264	0.57
Industrial		242,423,005	3.17
Technology		177,553,926	2.32
Total North America (cost \$3,594,954,564)		3,916,800,089	51.27
<i>Asia-Pacific:</i>			
Consumer, Cyclical			
Alibaba Group Holding Limited	4,134,500	429,739,930	5.62
Other		65,606,303	0.86
Total Consumer, Cyclical		495,346,233	6.48
Consumer, Non-Cyclical		5,764,886	0.08
Financial		19,528,887	0.26
Industrial		158,801,085	2.08
Total Asia-Pacific (cost \$591,753,396)		679,441,091	8.90
<i>Europe:</i>			
Communications		115,848,443	1.52
Consumer, Non-Cyclical		149,592,284	1.96
Industrial		86,675,658	1.13
Total Europe (cost \$312,670,891)		352,116,385	4.61
<i>Latin America and the Caribbean:</i>			
Financial (cost \$15,832,158)		21,921,145	0.29
Total Equity Securities (cost \$4,515,211,009)		4,970,278,710	65.07

Condensed Schedule of Investments *continued*

December 31, 2014

Description	Principal	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)			
Asset-Backed Securities			
<i>North America:</i>			
Mortgage	1,607,287,738		21.05
Student Loan	89,408		0.00
Total North America (cost \$1,577,648,107)	1,607,377,146		21.05
<i>Europe:</i>			
Mortgage (cost \$127,950,342)	128,655,264		1.68
<i>Latin America and the Caribbean:</i>			
Mortgage (cost \$44,124,306)	42,817,964		0.56
Total Asset-Backed Securities (cost \$1,749,722,755)	1,778,850,374		23.29
Sovereign Debt			
<i>Latin America and the Caribbean</i>			
Republic of Argentina, 8.28% 12/31/2033	148,067,831	123,760,024	1.63
Republic of Argentina, 7.82% 12/31/2033	82,881,350	86,079,185	1.13
Republic of Argentina, 8.28% 12/31/2033	93,302,825	80,940,201	1.06
Republic of Argentina, 7.82% 12/31/2033	53,946,017	56,897,766	0.75
Republic of Argentina, 2.26% 12/31/2038	52,737,000	31,427,297	0.41
Republic of Argentina, Floating 12/15/2035	361,209,000	30,594,402	0.40
Republic of Argentina, 8.75% 5/7/2024	20,830,000	20,309,250	0.27
Republic of Argentina, Floating 12/15/2035	178,299,000	13,075,253	0.17
Republic of Argentina, 2.5% 12/31/2038	12,557,000	6,414,534	0.08
Republic of Argentina, Floating 12/15/2035	64,874,000	4,573,617	0.06
Republic of Argentina, 2.26% 12/31/2038	4,436,000	2,556,300	0.03
Republic of Argentina, 8.28% 12/31/2033	1,759,558	1,571,871	0.02
Republic of Argentina, 7%-11.75% 11/14/2002-5/20/2011	1,211,000	730,012	0.01
Republic of Argentina, 11% 12/4/2005	426,000	549,540	0.00
Republic of Argentina, 8.125%-10% 2/4/2003-4/26/2006	154,000	180,750	0.00
Republic of Argentina, 11.75%-12% 9/19/2016-11/13/2026	264,000	160,059	0.00
Republic of Argentina, Floating-6% 3/31/2023	128,000	132,440	0.00
Republic of Argentina, 7% 12/4/2003	22,000	21,473	0.00
Total Sovereign Debt (cost \$455,735,419)	459,973,974		6.02

Description	Principal	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)			
Affiliated Investment Funds			
<i>Latin America and the Caribbean:</i>			
Investments in Limited Partnerships (cost \$369,779,850)		282,067,324	3.70
<i>Europe:</i>			
Investment Companies (cost \$43,962,504)		88,224,673	1.15
Total Affiliated Investment Funds (cost \$413,742,354)		370,291,997	4.85
Corporate Bonds			
<i>North America:</i>			
Communications		36,110,546	0.47
Consumer, Non-Cyclical		285,076	0.00
Energy		39,397,094	0.52
Financial		33,925,974	0.45
Technology		1,343,758	0.02
Utilities		7,632,315	0.10
Total North America (cost \$67,503,502)		118,694,763	1.56
<i>Europe:</i>			
Communications		1,710,830	0.02
Financial		90,985,958	1.19
Total Europe (cost \$100,850,775)		92,696,788	1.21
<i>Latin America and the Caribbean:</i>			
Energy		37,797,492	0.49
Financial		14,942,421	0.20
Total Latin America and the Caribbean (cost \$57,246,274)		52,739,913	0.69

Condensed Schedule of Investments *continued*

December 31, 2014

Description	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)		
Corporate Bonds (continued)		
<i>Asia-Pacific:</i>		
Consumer, Non-Cyclical (cost \$21,710,332)	21,301,002	0.28
Total Corporate Bonds (cost \$247,310,883)	285,432,466	3.74
Private Preferred Equity Securities		
<i>North America:</i>		
Communications	16,970,505	0.22
Consumer, Non-Cyclical	32,766,940	0.43
Energy	4,221,110	0.06
Financial	2,356,166	0.03
Technology	90,203,410	1.18
Total Private Preferred Equity Securities (cost \$99,965,660)	146,518,131	1.92
Private Common Equity Securities		
<i>Europe:</i>		
Financial	969,812	0.01
Technology	12,107,362	0.16
Total Europe (cost \$15,723,242)	13,077,174	0.17
<i>North America:</i>		
Consumer, Non-Cyclical	6,971,670	0.09
Technology	1,864,319	0.03
Total North America (cost \$12,752,857)	8,835,989	0.12
Total Private Common Equity Securities (cost \$28,476,099)	21,913,163	0.29
Trade Claims		
<i>North America:</i>		
Financial	46,177,453	0.60
Total Trade Claims (cost \$22,354,868)	46,177,453	0.60
Options		
<i>North America:</i>		
Equity Options, Calls	3,176,127	0.04
Index Options, Puts	22,822,764	0.30
Total North America (cost \$33,954,121)	25,998,891	0.34

Description	Fair Value \$	Percentage of Partners' Capital %
Investments in Securities (continued)		
Options (continued)		
<i>Asia-Pacific:</i>		
Equity Options, Calls	411,532	0.00
Index Options, Calls	3,623,413	0.05
Total Asia-Pacific (cost \$4,933,302)	4,034,945	0.05
Total Options (cost \$38,887,423)	30,033,836	0.39
Investment Funds		
<i>North America:</i>		
Investments In Limited Partnerships (cost \$20,433,413)	27,425,523	0.36
<i>Latin America and the Caribbean:</i>		
Investments In Limited Partnerships (cost \$1,127,000)	1,362,103	0.02
Total Investment Funds (cost \$21,560,413)	28,787,626	0.38
Municipal Bonds		
<i>North America:</i>		
Government	13,796,719	0.18
Total Municipal Bonds (cost \$14,866,207)	13,796,719	0.18
Bank Debt		
<i>North America:</i>		
Consumer, Cyclical	10,667,511	0.13
Total Bank Debt (cost \$11,643,381)	10,667,511	0.13
Rights and Warrants		
<i>North America:</i>		
Energy	514,490	0.00
Financial	7,280,334	0.10
Total North America (cost \$8,024,168)	7,794,824	0.10
<i>Latin America and the Caribbean:</i>		
Financial (cost \$16,665)	830,993	0.01
Total Rights and Warrants (cost \$8,040,833)	8,625,817	0.11
Total Investments in Securities (cost \$7,627,517,304)	8,171,347,777	106.97

Condensed Schedule of Investments *continued*

December 31, 2014

Description	Fair Value \$	Percentage of Partners' Capital %
Securities Sold, not yet Purchased		
Equity Securities		
<i>North America:</i>		
Consumer, Non-Cyclical	30,106,911	0.39
Energy	58,847,709	0.78
Industrial	12,916,620	0.17
Technology	41,371,604	0.54
Total Equity Securities (proceeds \$141,109,793)	143,242,844	1.88
Sovereign Debt		
<i>Europe:</i>		
French Republic	72,555,144	0.95
Portuguese Republic	58,153,081	0.76
Total Sovereign Debt (proceeds \$132,904,944)	130,708,225	1.71
Corporate Bonds		
<i>Asia-Pacific:</i>		
Basic Materials	11,859,800	0.16
Financial	19,021,637	0.24
Total Asia-Pacific (proceeds \$30,886,109)	30,881,437	0.40
<i>Europe:</i>		
Energy (proceeds \$12,581,974)	12,336,537	0.16
<i>North America:</i>		
Energy (proceeds \$9,506,243)	9,705,742	0.13
<i>Latin America and the Caribbean:</i>		
Energy (proceeds \$5,663,793)	5,828,790	0.08
Total Corporate Bonds (proceeds \$58,638,119)	58,752,506	0.77
Options		
<i>North America:</i>		
Equity Options, Calls	4,114,098	0.05
Equity Options, Puts	2,902,972	0.04
Index Options, Calls	2,474,568	0.03
Index Options, Puts	15,045,532	0.20
Total North America (proceeds \$33,731,501)	24,537,170	0.32

Description	Fair Value \$	Percentage of Partners' Capital %
Securities Sold, not yet Purchased (continued)		
Options (continued)		
<i>Asia-Pacific:</i>		
Equity Options, Calls	105,762	0.00
Equity Options, Puts	395,282	0.00
Index Options, Calls	2,064,237	0.03
Total Asia-Pacific (proceeds \$7,133,377)	2,565,281	0.03
<i>Europe:</i>		
Equity Options, Calls	186,930	0.00
Index Options, Puts	1,019,119	0.02
Total Europe (proceeds \$987,849)	1,206,049	0.02
Total Options (proceeds \$41,852,727)	28,308,500	0.37
Total Securities Sold, not yet Purchased (proceeds \$374,505,583)	361,012,075	4.73
Derivative Contracts		
Commodity Future Options – Purchased		
<i>Europe:</i>		
Oil, Calls	(1,263,650)	(0.02)
Total Commodity Future Options – Purchased	(1,263,650)	(0.02)
Commodity Future Options – Sold		
<i>Europe:</i>		
Oil, Calls	1,194,740	0.02
Total Commodity Future Options – Sold	1,194,740	0.02
Commodity Futures – Short Contracts		
<i>North America:</i>		
Interest	(623,204)	(0.01)
Total Commodity Futures – Short Contracts	(623,204)	(0.01)
Contracts for Differences – Long Contracts		
<i>Europe:</i>		
Basic Materials	(674,510)	(0.01)
Consumer, Non-Cyclical	(1,451,616)	(0.02)
Total Europe	(2,126,126)	(0.03)

Condensed Schedule of Investments *continued*

December 31, 2014

Description	Fair Value \$	Percentage of Partners' Capital %
Derivative Contracts (continued)		
Contracts for Differences – Long Contracts (continued)		
<i>Latin America and the Caribbean:</i>		
Financial	(1,135,869)	(0.01)
Total Contracts for Differences – Long Contracts	(3,261,995)	(0.04)
Contracts for Differences – Short Contracts		
<i>Europe:</i>		
Basic Materials	201,129	0.00
<i>Asia-Pacific:</i>		
Consumer, Non-Cyclical	14,416	0.00
Total Contracts for Differences – Short Contracts	215,545	0.00
Credit Default Swaps – Protection Purchased		
<i>North America:</i>		
Asset-Backed Securities Index	26,773,952	0.35
Communications	(3,523,826)	(0.05)
Consumer, Cyclical	(9,159,319)	(0.12)
Energy	12,003,552	0.16
Financial	(108,937)	(0.00)
Utilities	(501,104)	(0.01)
Total North America (cost \$24,961,922)	25,484,318	0.33
<i>Middle East and Africa:</i>		
Sovereign Debt	2,391,845	0.03
<i>Europe:</i>		
Sovereign Debt	(160,139)	(0.00)
Total Credit Default Swaps – Protection Purchased (net upfront fees paid \$24,961,922)	27,716,024	0.36
Credit Default Swaps – Protection Sold		
<i>North America:</i>		
Asset-Backed Securities	(5,874,439)	(0.07)
Consumer, Cyclical	913,472	0.01
Total Credit Default Swaps – Protection Sold (net upfront fees received \$5,986,456)	(4,960,967)	(0.06)

Description	Fair Value \$	Percentage of Partners' Capital %
Derivative Contracts (continued)		
Foreign Currency Forward Contracts		
Buy United States Dollar, Sell Canadian Dollar	285,480	0.00
Buy United States Dollar, Sell Japanese Yen	1,050,499	0.01
Buy United States Dollar, Sell British Pound Sterling	268,797	0.00
Buy United States Dollar, Sell Euro	17,140,478	0.23
Sell United States Dollar, Buy British Pound Sterling	(568,775)	0.00
Total Foreign Currency Forward Contracts	18,176,479	0.24
Foreign Currency Options – Purchased		
Call Japanese Yen, Put South Korean Won	46,125	0.00
Call United States Dollar, Put Euro	2,320,816	0.03
Call United States Dollar, Put Japanese Yen	18,728,585	0.25
Call United States Dollar, Put Saudi Riyal	2,429,841	0.03
Call United States Dollar, Put South Korean Won	4,016,031	0.05
Put United States Dollar, Call Saudi Riyal	703,344	0.01
Total Foreign Currency Options – Purchased (cost \$18,445,615)	28,244,742	0.37
Foreign Currency Options – Sold		
Call Japanese Yen, Put South Korean Won	(561)	0.00
Call United States Dollar, Put Euro	(523,288)	(0.01)
Call United States Dollar, Put Japanese Yen	(12,192,563)	(0.16)
Call United States Dollar, Put South Korean Won	(2,472,110)	(0.03)
Total Foreign Currency Options – Sold (proceeds \$14,625,210)	(15,188,522)	(0.20)
Total Return Swaps – Long Contracts		
<i>Europe:</i>		
Consumer, Non-Cyclical	(266,824)	0.00
<i>North America:</i>		
Energy	175,876	0.00
Financial	(2,339,599)	(0.03)
Total North America	(2,163,723)	(0.03)
Total Total Return Swaps – Long Contracts	(2,430,547)	(0.03)

Condensed Schedule of Investments *continued*

December 31, 2014

Description	Fair Value \$	Percentage of Partners' Capital %
Derivative Contracts (continued)		
Total Return Swaps – Short Contracts		
<i>North America:</i>		
Funds	150,033	0.00
Total Total Return Swaps – Short Contracts	150,033	0.00
Treasury Futures – Short Contracts		
<i>North America:</i>		
Sovereign Debt	(1,251,765)	(0.02)
Total Treasury Futures – Short Contracts	(1,251,765)	(0.02)
Derivative Contracts (net upfront fees and cost of \$22,795,871)	46,716,913	0.61
<i>See accompanying notes.</i>		

Statement of Income

Year ended December 31, 2014

(Stated in United States Dollars)

\$

Realized and unrealized gain/(loss) on investment transactions

Net realized gain from securities, derivative contracts and foreign currency translations	885,109,141
Net change in unrealized gain on securities and foreign currency translations	(305,040,862)
Net change in unrealized gain on derivative contracts and foreign currency translations	(68,718,012)
Net gain from currencies	6,350,437
Net realized and unrealized gain on investment transactions	517,700,704

Investment income

Interest	72,735,236
Dividends, net of withholding taxes of \$16,690,487	43,695,240
Stock loan fees	371,168
Total investment income	116,801,644

Expenses

Interest	10,615,461
Dividends on securities sold, not yet purchased	523,100
Stock borrow fees	534,762
Administrative and professional fees	12,353,986
Other	9,592,500
Total expenses	33,619,809
Net investment income	83,181,835
Net income	600,882,539

See accompanying notes.

Statement of Changes in Partners' Capital

Year ended December 31, 2014

(Stated in United States Dollars)	Total \$	General Partner \$	Limited Partner \$
Partners' capital at beginning of year	6,442,469,490	166,042,318	6,276,427,172
Capital contributions	1,483,937,877	–	1,483,937,877
Capital withdrawals	(888,451,249)	(220,000,000)	(668,451,249)
Allocation of net income:			
Pro-rata allocation	600,882,539	13,520,357	587,362,182
Incentive allocation	–	90,304,256	(90,304,256)
Net income	600,882,539	103,824,613	497,057,926
Partners' capital at end of year	7,638,838,657	49,866,931	7,588,971,726

See accompanying notes.

Statement of Cash Flows

Year ended December 31, 2014

(Stated in United States Dollars)

\$

Cash flows from operating activities

Net income	600,882,539
Adjustments to reconcile net income to net cash used in operating activities:	
Purchases of investment securities	(12,802,279,263)
Proceeds from disposition of investment securities	11,697,829,770
Purchases of investment securities to cover short sales	(1,015,356,251)
Proceeds from short sales of investment securities	1,182,989,789
Net realized gain from securities, derivative contracts and foreign currency translations	(885,109,141)
Net change in unrealized gain on securities and foreign currency translations	305,040,862
Net change in unrealized gain on derivative contracts and foreign currency translations	68,718,012
Amortization of premium and accretion of discount, net	(5,426,325)
Changes in operating assets and liabilities:	
Decrease in due from brokers	391,418,654
Decrease in securities purchased under an agreement to resell	54,462,381
Increase in interest and dividends receivable	(5,435,423)
Decrease in other assets	3,339,871
Increase in due to brokers	412,326,223
Decrease in interest and dividends payable	(858,868)
Decrease in accrued expenses	(5,524,225)
Net cash used in operating activities	(2,981,395)

Cash flows from financing activities

Capital contributions	1,483,937,877
Capital withdrawals	(1,484,795,496)
Net cash used in financing activities	(857,619)

Net decrease in cash	(3,839,014)
Cash at beginning of year	9,001,427
Cash at end of year	5,162,413

Supplemental disclosure of cash flow information

Cash paid during the year for interest	12,041,292
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See accompanying notes.

Notes to Financial Statements

Year ended December 31, 2014

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, 2014, approximately 99.35% 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*. The Investment Manager evaluated this guidance and determined that the Partnership meets the criteria to be classified as an investment company.

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 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. Such open tax years remain subject to examination by tax authorities.

2. Significant Accounting Policies (continued)

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, 2014, the Partnership did not incur any interest or penalties related to unrecognized tax positions.

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

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. As the Partnership held only reverse repurchase agreements as of December 31, 2014, 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, 2014 are included in interest payable and receivable in the statement of financial condition. Foreign currency loss of \$17,416,784 on repurchase and reverse repurchase agreements are included in the net gain from currencies in the statement of income. Generally, reverse repurchase agreements that the Partnership enters into mature within 30 to 90 days.

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 \$1,931 million, or approximately 23% of the Partnership's investment in securities and derivative assets, and approximately \$5.8 million, or approximately 1% 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 may employ third

Notes to Financial Statements *continued*

Year ended December 31, 2014

2. Significant Accounting Policies (continued)

party valuation firms to conduct separate valuations of such private securities. The third party valuation firms provide the Investment Manager with a written report documenting their recommended valuation as of the determination date for the specified investments.

Due to the inherent uncertainty of valuation for these investments, the estimate of fair value for its interest in these investments may differ from the values that would have been used had a ready market existed for the investment, and the difference could be material. At December 31, 2014, the Partnership had approximately \$164 million of investments fair valued by the Investment Manager, representing approximately 2% of investments in securities and derivatives, of which approximately 89% 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.

The Partnership's holdings in asset-backed securities ("ABS") are substantially invested in residential mortgage-backed securities ("RMBS"). The majority of the Partnership's U.S. RMBS are held in U.S. Alternative A-paper ("Alt-A") and subprime RMBS positions constituting approximately 50% of the Partnership's asset-backed securities holdings. In addition, approximately 33% of the positions are invested in back-end portions of the re-securitized real estate mortgage investment conduits ("re-REMIC") structure of Alt-A and prime securities. Non-U.S. RMBS positions constituted approximately 9% of the Partnership's ABS holdings with a majority in Europe. The balance of the Partnership's investment in ABS at December 31, 2014 was held in commercial mortgage-backed securities, collateralized debt obligations and student loan ABS. These investments are valued based on dealer quotes or a recognized independent 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. Investors in these classes of ABS may be exposed to the credit risk of underlying borrowers not being able to make timely payments on loans or likelihood of borrowers defaulting on their loans. In addition, investors 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 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.

2. Significant Accounting Policies (continued)

Assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at December 31, 2014. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction and translation gains and losses are included in the statement of income. The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments, dividends and interest from the fluctuations arising from changes in fair values of securities and derivatives held. Periodic payments received or paid on swap agreements are recorded as realized gain or loss on investment transactions. Such fluctuations are included within the realized and unrealized gain/(loss) on investment transactions 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, limited partnerships, investment companies, 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.

Notes to Financial Statements *continued*

Year ended December 31, 2014

2. Significant Accounting Policies (continued)

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

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

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

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

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

2. Significant Accounting Policies (continued)

The following is a summary of the inputs utilized in valuing the Partnership's assets and liabilities carried at fair value as of December 31, 2014:

Fair Value Measurements at December 31, 2014⁽¹⁾

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Assets				
Equity Securities	4,898,239,501	72,039,209	–	4,970,278,710
Asset-Backed Securities	–	1,757,828,782	21,021,592	1,778,850,374
Sovereign Debt	–	459,973,974	–	459,973,974
Affiliated Investment Funds	88,224,673	242,299,932	39,767,392	370,291,997
Corporate Bonds	–	263,952,266	21,480,200	285,432,466
Private Preferred Equity Securities	–	–	146,518,131	146,518,131
Private Common Equity Securities	–	12,107,361	9,805,802	21,913,163
Trade Claims	–	46,177,453	–	46,177,453
Options	13,695,445	16,338,391	–	30,033,836
Investment Funds	–	–	28,787,626	28,787,626
Municipal Bonds	–	13,796,719	–	13,796,719
Bank Debt	–	10,667,511	–	10,667,511
Rights and Warrants	8,111,327	514,490	–	8,625,817
Derivative Contracts⁽²⁾				
Commodity Future Options – Sold	1,194,740	–	–	1,194,740
Commodity Futures – Short Contracts	344,850	–	–	344,850
Contracts for Differences – Long Contracts	–	1,158,114	–	1,158,114
Contracts for Differences – Short Contracts	–	798,642	–	798,642
Credit Default Swaps – Protection Purchased	–	41,551,568	–	41,551,568
Credit Default Swaps – Protection Sold	–	913,471	–	913,471
Foreign Currency Forward Contracts	–	18,745,254	–	18,745,254
Foreign Currency Options – Purchased	–	28,244,742	–	28,244,742
Total Return Swaps – Long Contracts	–	175,877	8,237	184,114
Total Return Swaps – Short Contracts	150,033	–	–	150,033
Total Assets	5,009,960,569	2,987,283,756	267,388,980	8,264,633,305

Notes to Financial Statements continued

Year ended December 31, 2014

2. Significant Accounting Policies (continued)

	Quoted prices in active markets (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Liabilities				
Equity Securities	143,242,844	–	–	143,242,844
Sovereign Debt	–	130,708,225	–	130,708,225
Corporate Bonds	–	58,752,506	–	58,752,506
Options	16,085,436	12,223,064	–	28,308,500
Derivative Contracts ⁽²⁾				
Commodity Future Options – Purchased	1,263,650	–	–	1,263,650
Commodity Futures – Short Contracts	968,054	–	–	968,054
Contracts for Differences – Long Contracts	–	4,420,109	–	4,420,109
Contracts for Differences – Short Contracts	–	583,097	–	583,097
Credit Default Swaps – Protection Purchased	–	13,835,544	–	13,835,544
Credit Default Swaps – Protection Sold	–	1,723,730	4,150,708	5,874,438
Foreign Currency Forward Contracts	–	568,775	–	568,775
Foreign Currency Options – Sold	–	15,188,522	–	15,188,522
Total Return Swaps – Long Contracts	–	2,614,661	–	2,614,661
Treasury Futures – Short Contracts	–	1,251,765	–	1,251,765
Total Liabilities	161,559,984	241,869,998	4,150,708	407,580,690

(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.

2. Significant Accounting Policies (continued)

The following table is a reconciliation of assets and liabilities the Partnership held during the year ended December 31, 2014 at fair value using significant unobservable inputs (Level 3):

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Balance at January 1, 2014 \$	Transfers into Level 3 \$	Transfers out of Level 3 \$	Purchases \$	Sales/ Proceeds \$	Realized and unrealized gains (losses)* \$	Balance at December 31, 2014 \$
Assets							
Affiliated Investment Funds	33,118,572	–	–	18,254,805	(9,801,731)	(1,804,254)	39,767,392
Asset-Backed Securities	1,857,069	11,611,689	(1,577,724)	21,673,799	(11,578,026)	(965,215)	21,021,592
Bank Debt	224,133	–	–	–	–	(224,133)	–
Corporate Bonds	35,315,129	–	–	3,176,047	(11,146,962)	(5,864,014)	21,480,200
Investment Funds	27,387,096	–	–	775,704	(6,931,183)	7,556,009	28,787,626
Private Common Equity Securities	19,854,399	11,619,450	(10,265,762)	1,490,848	(5,737,642)	(7,155,491)	9,805,802
Private Preferred Equity Securities	87,182,728	–	–	28,178,938	(647,272)	31,803,737	146,518,131
Rights and Warrants	50	–	–	–	–	(50)	–
Total Return Swaps – Long Contracts	499,416	–	–	–	(35,419)	(455,760)	8,237
Total Assets	205,438,592	23,231,139	(11,843,486)	73,550,141	(45,878,235)	22,890,829	267,388,980
Liabilities							
Credit Default Swaps – Protection Sold	–	–	–	–	(5,000,227)	849,519	(4,150,708)
Total Liabilities	–	–	–	–	(5,000,227)	849,519	(4,150,708)
Total change in unrealized appreciation of fair valued assets using significant unobservable inputs (Level 3) still held at December 31, 2014*							10,912,937

*Total change in realized and unrealized gain/(loss) recorded on Level 3 financial instruments are included in net realized and unrealized gains 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 2014, 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.

Notes to Financial Statements *continued*

Year ended December 31, 2014

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.

	Fair Value \$	Valuation Techniques	Unobservable Input	Range
Private Equity Investments and Total Return Swap	148,390,688	Discounted Cash Flow	Discount	10-35%
			Duration	1-15 years
			Probabilities of Success	1-80%
		Market Approach	Multiples	1-20x
		Latest Financing*	N/A	N/A
Corporate Debt	15,227,497	Discounted Cash Flow	Yield	5.5-7
			Duration	3 years
			Credit Spreads	1,600-1,700
			Volatility	25%

*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, 2014, the Administrator received a fee of \$4,901,986.

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, 2014, the Partnership's due from/to brokers includes a total non-U.S. currency payable balance of \$16,963,938.

5. Allocation of Net Income or Net Loss

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

Net income or net loss is allocated each fiscal period, as defined in the Agreement, or at other times during the fiscal year when capital contributions and withdrawals are made by the Feeder or General Partner. The Feeder's percentage ownership of the Partnership will increase when the General Partner withdraws capital

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

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, 2014, the General Partner received an incentive allocation of \$90,304,256.

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. At December 31, 2014, investments with a fair value of \$242,299,932 were owned by the Partnership through the structure. 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.

At December 31, 2014, the Partnership held three 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

Notes to Financial Statements *continued*

Year ended December 31, 2014

6. Related Party Transactions (continued)

condensed schedule of investments and the statement of income. As of December 31, 2014, the total fair value of the SPVs was \$14,120,846. 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") serves as nominee of the Partnership and other affiliated investment management clients of the Investment Manager for certain investments. Loan LLC has appointed the Investment Manager as its true and lawful agent and attorney. At December 31, 2014, Loan LLC held \$238,024,331 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 Loan LLC and the related income and expense are reflected accordingly in the accompanying statement of financial condition, the underlying condensed schedule of investments and the statement of income. The valuation policy with respect to investments held by Loan LLC is the same as the Partnership's valuation policy as described in Note 2.

At December 31, 2014, 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, 2014, the Partnership owned 5,279,753 U.S. Dollar Shares of ListCo with a total market value of \$88,224,673 and an unrealized gain of \$44,262,169 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 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 \$18,254,845 was called and \$9,801,731 was distributed during the year ended December 31, 2014. As of December 31, 2014, the Partnership's remaining unfunded commitment to the Hellenic Fund was \$26,138,925. As of December 31, 2014, the estimated fair value of the investment in the Hellenic Fund was \$39,767,392. The valuation policy with respect to this investment in a limited partnership is further described in Note 2.

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

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

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

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.

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

Option contracts give the purchaser the right but not the obligation to purchase or sell to the option writer financial instruments, 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, 2014, the portfolio had a maximum payout amount of approximately \$2,862 million relating to written put option contracts with expiration ranging from 1 month to 3 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, 2014 is \$19,362,907 and is included in securities sold, not yet purchased and derivative contracts in the statement of financial condition.

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

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

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

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

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

Notes to Financial Statements *continued*

Year ended December 31, 2014

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

spreads and longer expiration dates would indicate the opposite and lowers the likelihood the Partnership needs to pay the buyer of protection. At December 31, 2014, 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, 2014:

Credit Spreads on underlying (basis points)	Maximum Payout/ Notional Amount (by period of expiration)			Fair Value of Written Credit Derivatives ⁽²⁾		
	0-5 years \$	5 years or Greater Expiring Through 2047 \$	Total Written Credit Default Swaps ⁽¹⁾ \$	Asset \$	Liability \$	Net Asset/ (Liability) \$
Single name (0-250)	–	22,903,985	22,903,985	–	5,874,438	(5,874,438)
Single name (251-500)	–	9,284,469	9,284,469	913,471	–	913,471
	–	32,188,454	32,188,454	913,471	5,874,438	(4,960,967)

1. As of December 31, 2014, 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, 2014. 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, 2014, the Partnership's maximum counterparty credit risk exposure was \$46,483,523.

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, swaptions and contracts for differences. Typically, derivatives serve as a component of the Partnership's investment strategy and are utilized primarily to structure the portfolio, or individual investments, to economically match the investment objective of the Partnership. Fair values of derivatives are determined by using quoted market prices and counterparty quotes when available; otherwise fair values are based on pricing models that consider the time value of money, volatility, and the current market and contractual prices of underlying financial instruments.

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, 2014. Balances are presented on a gross basis, prior to the application of the impact of counterparty netting.

8. Derivative Contracts (continued)

As of December 31, 2014			
	Listing currency ⁽¹⁾	Fair Value \$	Notional Amounts ⁽²⁾ \$
Derivative Assets by Primary Underlying Risk			
Commodity Price			
Commodity Future Options – Sold	USD	1,194,740	111,848,000
Credit			
Credit Default Swaps – Protection Purchased	USD	41,551,568	395,793,081
Credit Default Swaps – Protection Sold	USD	913,471	9,284,469
Equity Price			
Contracts for Differences – Long Contracts	USD	1,158,114	13,718,523
Contracts for Differences – Short Contracts	AUD/EUR/USD	798,642	27,328,293
Total Return Swaps – Long Contracts	USD	184,114	54,769,868
Total Return Swaps – Short Contracts	USD	150,033	43,492,264
Options Contracts – Purchased	JPY/USD	3,587,659	52,679,115
Foreign Currency Exchange Rates			
Foreign Currency Forward Contracts	CAD/EUR/GBP/JPY	18,745,254	994,004,442
Foreign Currency Options – Purchased	JPY/USD	28,244,742	1,259,534,399
Index			
Options Contracts – Purchased	JPY/USD	26,446,177	1,808,263,205
Interest Rates			
Commodity Futures – Short Contracts	USD	344,850	828,350,600
Total Derivative Assets		123,319,364	5,599,066,259
Derivative Liabilities by Primary Underlying Risk			
Commodity Price			
Commodity Future Options – Purchased	USD	1,263,650	53,340,000
Credit			
Credit Default Swaps – Protection Purchased	USD	13,835,544	208,739,467
Credit Default Swaps – Protection Sold	USD	5,874,438	22,903,985
Equity Price			
Contracts for Differences – Long Contracts	EUR/GBP/USD	4,420,109	213,402,866
Contracts for Differences – Short Contracts	AUD/NOK	583,097	13,493,769
Total Return Swaps – Long Contracts	USD	2,614,661	48,527,657
Options Contracts – Sold	JPY/USD	7,705,046	376,660,596
Foreign Currency Exchange Rates			
Foreign Currency Forward Contracts	GBP	568,775	54,416,576
Foreign Currency Options – Sold	JPY/USD	15,188,522	629,340,554
Index			
Options Contracts – Sold	EUR/JPY/USD	20,603,454	4,248,047,823
Interest Rates			
Commodity Futures – Short Contracts	USD	968,054	2,083,895,450
Treasury Futures – Short Contracts	USD	1,251,765	45,248,063
Total Derivative Liabilities		74,877,115	7,998,016,806

(1) AUD = Australian Dollar, CAD = Canadian Dollar, EUR = Euro, GBP = British Pound, JPY = Japanese Yen, NOK = Norwegian Krone, USD = US Dollar

(2) The absolute notional exposure represents the Partnership's derivative activity as of December 31, 2014, which is representative of the volume of derivatives held during the year.

Notes to Financial Statements *continued*

Year ended December 31, 2014

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, 2014. These realized and unrealized gains/(losses) are included in the statement of income.

	Realized Gain/(Loss) \$	Unrealized Gain/(Loss) \$
Primary Underlying Risk		
Commodity Price		
Commodity Future Options – Purchased	(2,062,297)	(1,284,480)
Commodity Future Options – Sold	1,625,035	444,033
Commodity Futures – Short Contracts	(50,339)	(623,204)
Options Contracts – Purchased	(112,098)	–
Options Contracts – Sold	(1,345)	–
Credit		
Credit Default Swaps – Protection Purchased	(21,922,040)	2,144,460
Credit Default Swaps – Protection Sold	5,798,812	(3,515,271)
Equity Price		
Contracts for Differences – Long Contracts	(8,118,693)	(45,762,347)
Contracts for Differences – Short Contracts	(17,409,713)	1,945,747
Total Return Swaps – Long Contracts	129,847,010	(38,426,084)
Total Return Swaps – Short Contracts	(3,128,098)	554,438
Options Contracts – Purchased	(6,913,977)	(12,577,865)
Options Contracts – Sold	158,259	7,636,388
Index		
Index Futures – Long Contracts	(3,577,787)	–
Index Futures – Short Contracts	(1,107,895)	1,919,113
Options Contracts – Purchased	(20,828,848)	(5,400,856)
Options Contracts – Sold	4,460,764	(736,405)
Interest Rates		
Bond Futures – Short Contracts	(4,410,474)	(927,133)
Interest Rate Swaps	(4,266,420)	3,677,816
Interest Rate Swaptions	(1,054,963)	(4,535,290)
Treasury Futures – Short Contracts	(4,739,737)	(1,721,820)
Foreign Currency Exchange Rates		
Foreign Currency Forward Contracts	75,707,810	12,346,185
Foreign Currency Options – Purchased	(1,418,756)	4,734,846
Foreign Currency Options – Sold	(6,470,327)	310,979
Total	110,003,883	(79,796,750)

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, 2014, no termination events were triggered under the ISDA Master Agreements. As of December 31, 2014, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a net liability position is \$9,353,889 for which the Partnership has posted \$87,434,946 collateral in the normal course of business. If the credit-risk-related contingent features underlying these instruments had been triggered as of December 31, 2014 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 obtains/provides collateral from/to various counterparties for OTC derivative contracts in accordance with bilateral collateral agreements. The Partnership posted collateral in the form of cash (approximately \$87.4 million) to certain counterparties to cover collateral requirements for open OTC derivatives. Similarly, the Fund held collateral (approximately \$13.7 million) in the form of cash from certain counterparties as of December 31, 2014.

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 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 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, 2014

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, 2014, 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:

Gross Amounts not Offset in the Statement of Financial Condition				
Counterparty	Gross Amounts of Assets Presented in the Statement of Financial Condition ⁽¹⁾ \$	Financial Instruments \$	Cash Collateral Received \$	Net Amount \$
Counterparty 1	6,659,830	6,659,830	–	–
Counterparty 2	8,155,945	1,881,458	–	6,274,487
Counterparty 3	44,699,886	18,325,514	–	26,374,372
Counterparty 4	1,854,979	1,854,979	–	–
Counterparty 5	9,503,713	584,856	–	8,918,857
Counterparty 6	26,127,176	12,312,554	10,776,982	3,037,640
Counterparty 7	3,805,303	1,917,226	725,312	1,162,765
Counterparty 8	2,904,872	2,904,872	–	–
Counterparty 9	2,996,501	2,996,501	–	–
Counterparty 10	1,823,061	–	1,250,312	572,749
Counterparty 11	984,716	–	950,000	34,716
Counterparty 12	8,237	–	–	8,237
Counterparty 13	99,700	–	–	99,700
Total	109,623,919	49,437,790	13,702,606	46,483,523

Repurchase Agreements/Loaned Securities

Counterparty 1	34,765,380	33,304,053	–	1,461,327
Counterparty 3	22,448,981	–	22,448,981	–
Counterparty 14	99,144,567	97,404,173	862,919	877,475
Total	156,358,928	130,708,226	23,311,900	2,338,802

8. Derivative Contracts (continued)

Financial Liabilities, Derivative Liabilities and Collateral pledged by Counterparty:

Gross Amounts not Offset in the Statement of Financial Condition

Counterparty	Gross Amounts of Liabilities Presented in the Statement of Financial Condition ⁽²⁾ \$	Financial Instruments \$	Cash Collateral Pledged \$	Net Amount \$
Counterparty 1	7,149,287	6,659,830	489,457	—
Counterparty 2	1,881,458	1,881,458	—	—
Counterparty 3	18,325,514	18,325,514	—	—
Counterparty 4	4,150,709	1,854,979	2,295,730	—
Counterparty 5	584,856	584,856	—	—
Counterparty 6	12,312,554	12,312,554	—	—
Counterparty 7	1,917,226	1,917,226	—	—
Counterparty 8	3,857,309	2,904,872	—	952,437
Counterparty 9	8,612,766	2,996,501	5,616,265	—
Total	58,791,679	49,437,790	8,401,452	952,437

(1) The Gross Amount 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 \$16,338,391 included in Investments in Securities in the Statement of Financial Condition.

(2) The Gross Amount of Liabilities Presented in the Statement of Financial Condition presented above includes the fair value of Derivative Contract liabilities as well as gross OTC option contract liabilities of \$12,223,064 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.

10. Financial Highlights

The following represents the ratios to average Feeder capital and total return information for the year ended December 31, 2014:

Ratios to average limited partners' capital:

Total expenses	0.48%
Incentive allocation	1.33%
Total expenses and incentive allocation	1.81%
Net investment income	1.19%

Notes to Financial Statements *continued*

Year ended December 31, 2014

10. Financial Highlights (continued)

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	9.34%
Incentive allocation	(1.45%)
Total return after incentive allocation	7.89%

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

11. Subsequent Events

Subsequent to December 31, 2014, the Partnership received approximately \$34.7 million in capital contributions and recorded capital withdrawal requests of approximately \$201.6 million for the quarter ended March 31, 2015. Subsequent events were evaluated by the Partnership's management until March 20, 2015, which is the date the financial statements were available to be issued.

