

XYZ DOMESTIC FEEDER FUND, LP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 20XX

XYZ DOMESTIC FEEDER FUND, LP

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[INSERT NAME OF MASTER FUND] Financial Statements Exhibit A

INDEPENDENT AUDITORS' REPORT

[CITY, STATE]
[INSERT DATE]

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 1 - NATURE OF PARTNERSHIP

ORGANIZATION

Elaborate on strategy of Partnership in the organization footnote (for example, use language from PPM).

XYZ Domestic Feeder Fund, LP (the “Partnership”) was formed as [insert entity type and place of formation] on [insert date] and commenced operations on [insert date]. The Partnership is organized as a master-feeder structure through which the Partnership has invested substantially all of its assets in [insert name of Master Fund] (the “Trading Company”/”Master Fund”), a [insert entity type and place of formation] that has the same investment objectives as the Partnership. The Partnership is a shareholder in the Trading Company/Master Fund together with another entity, [insert name of Offshore Feeder], a [insert entity type and place of formation] (together the “Feeders”). The Trading Company/Master Fund was formed for the purpose of purchasing, holding, selling, and trading, on margin or otherwise, securities and financial instruments of United States and foreign entities, and engaging in activities and business related or incidental to the foregoing as [insert name of Investment Manager] (the “Investment Manager”) deems advisable. The Investment Manager [is/is not] registered as an investment adviser under the Advisers Act of 1940, as amended (the “Advisers Act”). The Partnership shall continue indefinitely, provided however, the Partnership shall be dissolved upon the occurrence of any of the events set forth in the Limited Partnership Agreement (the “Agreement”).

The Partnership is not a registered investment company and is not subject to the investment restrictions limitations on transactions with affiliates and other provisions of the Investment Company Act of 1940, as amended (the “Company Act”), in reliance upon an exemption from such registration provided in Section 3(c)(7) of the Company Act.

GENERAL PARTNER

The operations of the Partnership are managed by [insert name of GP] (the “General Partner”), an affiliated entity. The General Partner has control and authority with respect to the management of the Partnership’s business. The limited partners are not involved in the control, management or operation of the Partnership.

CONCENTRATION OF PARTNERS’ CAPITAL

As of December 31, 20XX, two Limited Partners represented approximately XX% (XX% and XX%, respectively) of partners’ capital.

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 1 - NATURE OF PARTNERSHIP (CONTINUED)

CONCENTRATION OF PARTNERS' CAPITAL

As of December 31, 20XX, XX% of the total partners' capital belongs to one Limited Partner, who is an affiliate of the General Partner.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Partnership qualifies as an investment company, as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 Financial Services – Investment Companies and, therefore, is applying the specialized accounting and reporting guidance in ASC Topic 946.

SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Partnership in the preparation of its financial statements. The policies are in conformity with United States generally accepted accounting principles ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates. Management has considered the circumstances under which the Partnership should recognize or make disclosures regarding events or transactions occurring subsequent to the balance sheet date through [insert date] which represents the date the financial statements were available to be issued. Adjustments or additional disclosures, if any, have been included in these financial statements.

The financial statements of the Trading Company/Master Fund, including the condensed schedule of investments, are included elsewhere in this report and should be read in conjunction with the Partnership's financial statements. The Partnership's accounting policies are generally consistent with the Trading Company/Master Fund.

PORTFOLIO VALUATION

The Partnership's investment in the Trading Company/Master Fund represents substantially all of its assets and is recorded at its estimated fair value, as described in Note 3.

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used.

[If applicable: The Partnership considers cash pledged as collateral for securities sold short and cash collateral posted with counterparties for derivative contracts to be restricted cash OR The Partnership considers *(The Partnership should include a description of what balance sheet items are restricted)* to be restricted cash.]

[Disclose the nature of restriction on cash, cash equivalents, and amounts described as restricted cash]

[If cash held at foreign bank, include the following here:]

The Partnership maintains cash in U.S. Dollars and/or foreign currency of \$[amount] at bank(s) [located in (list countries)]. *[On the Statement of Financial Condition, foreign currency should be shown separate from cash and cash equivalents and historical cost noted on the face of the financials (or in the footnotes if not significant.)]*

INVESTMENT TRANSACTIONS, INCOME AND EXPENSE

The Partnership records its proportionate share of the Trading Company/Master Fund's income, expenses and realized and unrealized gains and losses on investments. The Partnership follows the revenue recognition policies of the Trading Company/Master Fund, which are discussed in the notes to the Trading Company/Master Fund's financial statements. In addition, the General Partner is authorized to incur all expenses on behalf of the Partnership which it deems necessary for the management and operations of the Partnership. Partnership interest income and expense are recorded on the accrual basis.

INCOME TAXES

[SEE ASC 740 INCOME TAX TEMPLATE]

FOREIGN WITHHOLDING TAXES

Foreign withholding taxes allocated from the Trading Company/Master Fund represent taxes withheld at the applicable foreign tax treaty rate on dividends earned on foreign and United States investments.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

(CONTINUED)

CAPITAL WITHDRAWALS PAYABLE

The Partnership recognizes withdrawals as liabilities, net of incentive allocations, when the amount requested in the withdrawal represents a fixed, determinable obligation. This may generally occur either at the time of the receipt of the notice, or on the last day of a fiscal period, depending on the nature of the request. Withdrawals paid after the end of the year, but based upon year-end capital balances, are reflected as withdrawals payable at December 31. Withdrawal notices received for which the dollar amount is not fixed results in capital not being recognized as a liability until the dollar amount is determined. (IF APPLICABLE: Capital withdrawals payable may be treated as capital for purposes of allocations of gains/losses pursuant to the Partnership's Limited Partnership Agreement.)

EXPENSES PAID INDIRECTLY

The Partnership, through its investment in the Trading Company/Master Fund, may receive certain benefits and research through “soft dollar” arrangements entered into with brokers. Such benefits will be used to pay for professional and administrative costs or expenses borne by the Partnership or other entities under the General Partner’s control. For the year ended December 31, 20XX, such expenses of the Partnership amounted to \$[insert amount] and are included in the accompanying statement of operations.

NOTE 3 – FAIR VALUE MEASUREMENTS

[IF THE FUND HAS DIRECT INVESTMENTS SEE DOMESTIC FUND FS TEMPLATE FOR SAMPLE DISCLOSURE. SEE ASU 2011-04 TEMPLATE FOR LEVEL 3 DISCLOSURES - IF THE FEEDER HAS ANY DIRECT LEVEL 3 INVESTMENTS.]

The Partnership follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Partnership’s own market assumptions (unobservable inputs). These inputs are used in determining the value of the Partnership’s investments and are summarized in the following fair value hierarchy:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield-curves, default rates, and similar data.

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

- Level 3 - Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Partnership's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The Partnership has a(n) \$[insert amount] % interest in the Trading Company/Master Fund as of December 31, 20XX. The investment in the Trading Company/Master Fund is carried at its estimated fair value which is based on its proportionate share of the net assets of the Trading Company/Master Fund as of December 31, 20XX. Valuation of investments held by the Trading Company/Master Fund, including, but not limited to, the valuation techniques used and categorization within the fair value hierarchy of investments, are discussed in the notes to the Trading Company's/Master Fund's financial statements.

[NOTE: IF THE PARTNERSHIP ENTERS INTO DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES SEE DOMESTIC LP FS TEMPLATE FOR SAMPLE DISCLOSURE.]

NOTE 4 - PARTNERSHIP TERMS AND RELATED PARTY TRANSACTIONS

MANAGEMENT FEES

The Partnership has entered into an agreement with [insert name of Investment Manager] (the "Investment Manager"), an affiliated entity, to provide certain investment management services to the Partnership. In exchange for services provided, the Investment Manager receives a [insert frequency] management fee from each Limited Partner equal to approximately [insert%] ([insert%] annually) of its capital account, payable [insert frequency] in [advance or arrears] and calculated on the [first or last] day of each [insert frequency]. The Investment Manager may reduce or waive the management fee with respect to one or more Limited Partners for any period of time or agree to apply a different management fee for that limited partner. For the year ended December 31, 20XX, the Partnership incurred management fees of \$[insert amount], of which \$[insert amount] was payable at December 31, 20XX. To the extent that management fees are charged at the Trading Company/Master Fund level, no management fees will be charged at the Partnership level.

DUE TO GENERAL PARTNER

The General Partner pays expenses on behalf of the Partnership, which are reimbursable to the General Partner and non-interest bearing. At December 31, 20XX, \$[insert amount] was payable to the General Partner and is included in the accompanying financial statements.

NOTE 4 - PARTNERSHIP TERMS AND RELATED PARTY TRANSACTIONS (CONTINUED)

LOAN RECEIVABLE

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

During 20XX, the Partnership loaned a member of the General Partner \$[insert amount] in order to [insert reason for loan]. The amount was paid in full, including interest thereon, at December 31, 20XX. Interest, which is charged at a rate of [insert rate]%, amounted to \$[insert amount] and is included in Partnership interest income on the accompanying statement of operations.

LIMITED PARTNERS

Certain limited partners are affiliated with the General Partner. The aggregate value of the affiliated limited partners' share of partners' capital at December 31, 20XX is approximately \$[insert amount].

Certain limited partners have special management fee arrangements, performance arrangements, or redemption rights as provided for in the Agreement.

[if applicable] During 20XX, the Partnership entered into purchase and sale transactions with an affiliated entity, which is also managed by the General Partner. Total purchases and sales at fair value of approximately \$[insert amount] were made with this related party. Transactions with related parties resulted in net gain (losses) of \$[insert amount] and are included in net realized and unrealized gain (loss) on investments in the statement of operations. The terms, conditions and execution of each such purchase and sale were on arm's-length basis.

[if applicable] The General Partner generally allocates investments between the Partnership and other entities for which it serves as the General Partner on a pro rata basis based on assets under management. In order to maintain pro rata allocation, the Partnership may sell securities to, or purchase securities from, these other entities. Such transactions are generally executed at the closing price on the date prior to the trade date, or, in the case of restricted yet tradable securities, at fair value as determined by the General Partner.

[if applicable] Additionally, the Partnership may co-invest with other entities with the same General Partner as the Partnership.

[if applicable] Administrator Fund Services LLP (The "Administrator") serves as the Partnership's administrator and performs certain administrative and clerical services on behalf of the Partnership. The Administrator is also affiliated with a broker through which the Partnership transacts operations. At December 31, 20XX, there is a balance of approximately \$X,XXX,XXX due from/to this broker. At December 31, 20XX, cash balance in the amount of approximately \$XXX,XXX are held by an affiliate of the Administrator.

NOTE 4 - PARTNERSHIP TERMS AND RELATED PARTY TRANSACTIONS (CONTINUED)

Items to include for Related Party Transactions

Please ensure that the (1) nature of the relationship(s) involved is disclosed, (2) a

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to gain an understanding of the effects of the transactions on the financial statements, (3) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period, (4) and amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement. If the General Partner reimburses the Partnership for virtually all its expenses, that should be added in as a disclosure.]

[SEE DOMESTIC LP TEMPLATE FOR ADDITIONAL RELATED PARTY TRANSACTION EXAMPLES]

NOTE 5 - CONTRIBUTIONS, WITHDRAWALS AND ALLOCATIONS

CONTRIBUTIONS

Investment in the Partnership may only be made through purchase of a Partnership interest (an “Interest”) pursuant to a private placement under Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”). Purchasers of an Interest are referred to as “Limited Partners.” An Interest represents a percentage interest in the Partnership proportionate to the amount invested by each Limited Partner as related to the aggregate amount invested by all Limited Partners and the General Partner. Interests may be purchased only by accredited investors, as defined in the Securities Act. Each Limited Partner must make an initial subscription for an Interest of at least \$[insert amount], although the General Partner may accept lesser amounts in its discretion. In general, the Partnership will accept capital contributions as of the first business day of each month.

WITHDRAWALS

A Limited Partner may withdraw, in whole or in part, the amount in its capital account as of the last business day of any month by providing [insert #] days prior written notice to the General Partner. Withdrawals may be in cash or in kind, upon the discretion of the General Partner. Partial withdrawals must be in minimum increments of \$[insert amount] and may not reduce a

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 5 - CONTRIBUTIONS, WITHDRAWALS AND ALLOCATIONS (CONTINUED)

WITHDRAWALS (CONTINUED)

Limited Partner's capital account below \$[insert amount] except by the consent of the General Partner. If any Limited Partner elects to withdraw more than [insert #]% of the balance of its capital account, it shall be paid [insert #]% of the amount within [insert #] days after the permissible withdrawal date. The balance will be paid after the completion of the Partnership's annual audit. The Partnership will not pay any interest on the remaining balance of the withdrawing partner's capital account and the balance will not be considered to be invested in the Partnership.

[If applicable, add disclosure of gate provisions.]

[Additionally, withdrawals in the Partnership may be limited due to a discretionary "gate" that may be imposed by the General Partner. Partnerships typically exercise gates when withdrawal requests exceed a specified percentage of the overall partners' capital. Gates are imposed to prevent disorderly withdrawals and may limit the amount of capital allowed to withdraw from Partnership on their respective withdrawal dates.]

[If applicable, add disclosure on General Partner's right to suspend withdrawals.]

[If Partnership has investments in side pockets, add disclosures about withdrawal restrictions from PPM. Disclose \$XX of investments in side pockets.]

NET PROFIT/LOSS AND INCENTIVE ALLOCATIONS

The Partnership's net profit or loss shall be allocated to each partner in proportion to its opening capital balance for each fiscal period. At the end of each year, an incentive allocation equal to [insert #]% of the net profit [including realized and unrealized gains] allocated to each Limited Partner will be reallocated to the capital account of the General Partner subject to any prior year loss carryforwards or high water mark provision. The General Partner may reduce or waive the incentive allocation with respect to one or more Limited Partners for any period of time. To the extent the incentive allocation is charged at the Master Fund level, no incentive allocation will be charged at the Partnership level.

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 6 - PRINCIPAL RISKS

Elaborate on types of risk in the off balance sheet and other risks footnote (for example, use language from PPM. NOTE – IF THE PARTNERSHIP HAS DERIVATIVES OR DIRECT INVESTMENTS– SEE DOMESTIC LP FS TEMPLATE FOR SAMPLE DISCLOSURE.

CONCENTRATION OF CREDIT RISK

The Partnership maintains its cash at \$[insert amount] institution/s which is/are insured by the Federal Deposit Insurance Corporation (“FDIC”) and/or Securities Investor Protection Corporation (“SIPC”). At December 31, 20XX, the Partnership had cash and security balances held at its bank/broker in excess of the maximum amounts insured. The Partnership is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

The Trading Company/Master Fund invests primarily in actively traded securities, illiquid securities, derivatives and other financial instruments using several investment strategies and investment techniques, including leverage, which may involve significant risks. The Trading Company/Master Fund concentration and other risks are discussed in the notes to the Trading Company/Master Fund 's financial statements which are attached elsewhere in this report and are an integral part of these financial statements.

NOTE 7 - GUARANTEES

In the normal course of its operations, the Partnership enters into contracts and agreements that contain 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.

XYZ DOMESTIC FEEDER FUND, LP

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 8 - FINANCIAL HIGHLIGHTS

If applicable - show the impact of voluntary fee waivers and the expense waiver gross and net of such waivers.

Financial highlights for the year ended December 31, 20XX are as follows:

Total Return:

Total return before incentive allocation to General Partner [insert%]%

Incentive allocation to General Partner [insert%]

Total Return After Incentive Allocation to General Partner [insert%]%

Ratio to Average Limited Partners' Capital:

Operating expenses (including interest and short dividends) [insert%]%

Incentive allocation to General Partner [insert%]

Operating Expenses and Incentive Allocation to General Partner [insert%]%

Net Investment Income/(Loss), Before Incentive Allocation to General Partner [insert%]%

Financial highlights are calculated for the Limited Partner class taken as a whole. An individual Limited Partner's return and ratios may vary based on different management fee and incentive arrangements and the timing of capital transactions [if applicable, may vary based on participation in new issue and/or private investments].

Total return is computed using a time-weighted methodology whereby the returns for individual accounting periods are geometrically linked and proforma incentive allocations are taken into account. The ratios are computed using a weighted-average of the Limited Partners' capital for the year ended December 31, 20XX and are inclusive of allocations from the Trading Company/Master Fund. Expenses of the Partnership paid indirectly are included for purposes of computing total return and are excluded for purposes of computing the ratios. The net investment income/(loss) ratio does not reflect the effects of the incentive allocation to the General Partner. [FOR PERIODS GREATER THAN OR LESS THAN ONE YEAR:] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner have been annualized.

XYZ DOMESTIC FEEDER FUND, LP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 20XX

NOTE 9 - SUBSEQUENT EVENTS

From January 1, 20XX through [insert date], the Partnership accepted additional capital contributions of approximately \$[insert amount] (of which approximately \$[insert amount] is included in advance capital contributions as of December 31, 20XX) and had additional capital withdrawals of approximately \$[insert amount].

In addition, as of [insert date], the Partnership has received limited partner withdrawal requests that are anticipated to be effective on [insert effective date or range of dates]. The limited partner interests for these requests were approximately XX% of the partners' capital of the Partnership as of December 31, 20XX. The ultimate amounts withdrawn for these requests may vary based upon the performance of the Partnership and the amount of withdrawals declared effective by the Partnership and its limited partners.

[Additional disclosures are required for significant changes to the value of the Partnership (i.e. Investment values, or significant purchases or sales of interest in the Master significant withdrawal request, liquidation of Partnership, reorganization, etc.)]