
Audited Financial Statements

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Year Ended December 31, 2014

With Report of Independent Auditors



FIREBIRD MANAGEMENT LLC

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Audited Financial Statements

Year Ended December 31, 2014

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Consolidated Financial Statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)	



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Report of Independent Auditors

The Board of Directors
Firebird Global Fund II, Ltd. (On a Liquidation Basis)

We have audited the accompanying financial statements of Firebird Global Fund II, Ltd. (On a Liquidation Basis) (the Fund), which comprise the statement of assets and liabilities 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.

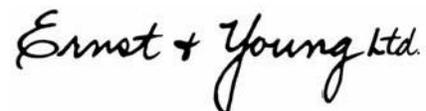
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Firebird Global Fund II, Ltd. (On a Liquidation Basis) 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.

Liquidation Basis of Accounting

As described in Note 2 to the financial statements, the Board of Directors of the Fund decided to liquidate the Fund. As a result, the Fund changed its basis of accounting from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.



March 27, 2015

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Statement of Assets and Liabilities
(Stated in United States Dollars)

December 31, 2014

Assets

Cash	\$	89
Investment in Firebird Global Master Fund II Holdings, Ltd.		8,118,321
Total assets		8,118,410

Liabilities

Accounts payable and accrued expenses (<i>see Note 2</i>)		299,055
Due to Manager		99,095
Total liabilities		398,150
Net assets	\$	7,720,260

Net asset value per share

Unrestricted Master shares (based on 4,247.61 shares outstanding)	\$	276.39
Unrestricted 2013 A (based on 6,469.05 shares outstanding)	\$	279.18
Unrestricted 05/07 shares (based on 639.76 shares outstanding)	\$	175.93
Unrestricted 06/07 shares (based on 365.58 shares outstanding)	\$	175.40
Unrestricted 07/07 shares (based on 456.97 shares outstanding)	\$	180.52
Unrestricted UR 2013 B (based on 10,677.99 shares outstanding)	\$	182.34
Unrestricted 10/07 shares (based on 523.04 shares outstanding)	\$	178.77
Unrestricted 2011 Master shares (based on 1,092.63 shares outstanding)	\$	252.46
Unrestricted UR 2013 C (based on 1,125.35 shares outstanding)	\$	255.01
Unrestricted 02/11 shares (based on 100.00 shares outstanding)	\$	216.12
Unrestricted 06/11 shares (based on 1,500.00 shares outstanding)	\$	232.52
Restricted Master shares (based on 976.01 shares outstanding)	\$	276.39
Restricted 05/07 shares (based on 6,500.98 shares outstanding)	\$	175.93
Restricted 07/07 shares (based on 183.29 shares outstanding)	\$	180.52
Restricted 08/07 shares (based on 137.09 shares outstanding)	\$	174.98
Restricted 11/07 shares (based on 182.79 shares outstanding)	\$	170.72
Restricted 2011 Master shares (based on 21.92 shares outstanding)	\$	252.47
Special Situation shares SS 1008 (based on 4,597.32 shares outstanding)	\$	–
Special Situation shares SS 1208 (based on 6,350.36 shares outstanding)	\$	–
Special Situation shares SS 1209 (based on 673.54 shares outstanding)	\$	–

See accompanying notes and attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Statement of Operations
(Stated in United States Dollars)

Year Ended December 31, 2014

Fund investment expense

Management fees net of reversal (<i>see Note 3</i>)	\$ 249,966
Professional fees and other expenses	(395,591)
Total Fund investment expense	<u>(145,625)</u>

**Investment income and expenses allocated from Firebird Global Master
Fund II Holdings, Ltd.**

Interest income	9,103
Professional fees	(1,316,694)
Legal fees	(731,968)
Bank and broker expenses	(47,375)
Directors' fees	(8,609)
Net investment expense allocated from Firebird Global Master Fund II Holdings, Ltd.	<u>(2,095,543)</u>
Net investment expense	(2,241,168)

**Net loss on investments, derivatives and foreign currency transactions
allocated from Firebird Global Master Fund II Holdings, Ltd.**

Net change in unrealized capital gains tax reserve	517
Net realized loss on investments, derivatives and foreign currency transactions	(753,622)
Net change in unrealized depreciation of investments, derivatives and foreign currency transactions	(3,103,015)
Net loss on investments, derivatives and foreign currency transactions	<u>(3,856,120)</u>
Net decrease in net assets resulting from operations	<u>\$ (6,097,288)</u>

See accompanying notes and attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Statement of Changes in Net Assets
(Stated in United States Dollars)

Year Ended December 31, 2014

Decrease in net assets resulting from operations

Net investment expense	\$ (2,241,168)
Net change in unrealized capital gains tax reserve	517
Net realized loss on investments, derivatives and foreign currency transactions	(753,622)
Net change in unrealized depreciation of investments, derivatives and foreign currency transactions	<u>(3,103,015)</u>
Net decrease in net assets resulting from operations	<u>(6,097,288)</u>

Decrease in net assets resulting from capital share transactions

Unrestricted shares redeemed	(4,515)
Special Situation shares redeemed	<u>(7,645)</u>
Net change in net assets resulting from capital share transactions	<u>(12,160)</u>

Net change in net assets	(6,109,448)
Net assets at beginning of year	<u>13,829,708</u>
Net assets at end of year	<u>\$ 7,720,260</u>

See accompanying notes and attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Statement of Cash Flows
(Stated in United States Dollars)

Year Ended December 31, 2014

Operating activities

Net decrease in net assets resulting from operations	\$ (6,097,288)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Investment in Firebird Global Master Fund II Holdings, Ltd.	6,137,086
Due to Manager	(309,723)
Accounts payable and accrued expenses	282,125
Net cash provided by operating activities	<u>12,200</u>

Financing activities

Payments for redemptions of Unrestricted shares	(4,515)
Payments for redemptions of Special Situation shares	<u>(7,645)</u>
Net cash used in financing activities	<u>(12,160)</u>

Net change in cash	40
Cash at beginning of year	49
Cash at end of year	<u>\$ 89</u>

See accompanying notes and attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

December 31, 2014

1. Organization

Firebird Global Fund II, Ltd. (the “Fund”) is an open-ended investment company incorporated in the Cayman Islands as an exempted company and is registered under the Cayman Islands Mutual Funds Law. The Fund commenced operations on July 1, 2006, and the Fund’s Unrestricted Shares are listed on the Bermuda Stock Exchange. Subsequent to the suspension of redemptions on May 30, 2013, the Board of Directors of the Fund has resolved and approved an orderly liquidation of the Fund over a targeted four year term.

The Fund, along with Firebird Global Fund II, L.P. (the “Partnership”), invest substantially all of their assets in Firebird Global Master Fund II Holdings, Ltd. (the “Master Fund”), a Cayman Islands exempted limited company serving as a master fund registered under the Mutual Funds Law of the Cayman Islands. The consolidated financial statements of the Master Fund should be read in conjunction with the Fund’s financial statements. Prior to announcing the beginning of its wind-down, the Fund’s investment objective was long-term capital gains, which the Manager (see below) attempts to achieve by investing the assets of the Master Fund in a global portfolio primarily composed of securities that reflect the contrarian investment themes of the Manager. The Master Fund will tend to invest principally in emerging growth companies and emerging markets that are overlooked by more traditional investors. This may include investing in public and private securities, including pre-IPO private equity investments, in early-stage “frontier” markets, as well as investments (pursuant to appropriate exemptions and licenses) in countries subject to trade-related or other economic sanctions by the United States or other governments. The Master Fund has similar investment objectives to the Fund.

The Fund’s investment manager is FG2 Advisors, LLC (the “Manager”), a New York limited liability company. An affiliate of the Manager is also a shareholder of the Master Fund and the Manager is the general partner of the Partnership. The principals of the Manager are directors of the Fund and the Master Fund. The Manager is a registered investment advisor with the United States Securities and Exchange Commission as a “relying adviser” for which the “filing adviser” is Firebird Management LLC.

The administrator to the Fund is Trident Trust Company (Cayman) Limited (the “Administrator”). The Administrator is also the administrator to the Partnership and the Master Fund.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

2. Significant Accounting Policies

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) as detailed in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) and are stated in United States Dollars. The Fund meets the definition of an investment company and follows the accounting and reporting guidance in ASC Topic 946, *Financial Services – Investment Companies*. The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

The Fund adopted the liquidation basis of accounting. Under the liquidation basis of accounting, assets are stated at their net realizable values, liabilities are stated at their estimated settlement amounts, and expenses include all estimated costs to be incurred in connection with the liquidation of the Fund. The Manager has determined that based upon the expected timing and manner of disposition and extinguishment of the Fund's assets and liabilities, respectively, the fair value and carrying amounts of such assets and liabilities approximate net realizable value and settlement amounts, respectively. Estimated liquidation expenses of \$270,000 are accrued at the year end and included within accounts payable in the statement of assets and liabilities.

Cash

Cash includes amounts held by a bank organized in the Cayman Islands. The Fund does not expect any material losses as a result of this allocation.

Investment Valuation and Related Investment Income

The Fund records its investment in the Master Fund at net realizable value. The performance of the Fund is directly affected by the performance of the Master Fund. Attached are the audited consolidated financial statements of the Master Fund, including its consolidated condensed schedule of investments and significant accounting and reporting policies, which are an integral part of these financial statements. Valuation of investments held by the Master Fund is discussed in the notes to the Master Fund’s consolidated financial statements.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

2. Significant Accounting Policies (continued)

Investment Valuation and Related Investment Income (continued)

As at December 31, 2014, the Fund had approximately 37.07% ownership interest in the Master Fund and held all of its Class B shares. The Fund's investment in the Master Fund includes \$43,723 as its investment in Special Situation shares.

The Fund records monthly its proportionate share of the Master Fund's income, expenses, net realized and change in unrealized gains and losses. In addition, the Fund accrues its own income and expenses. The Fund records subscriptions and redemptions to its investment in the Master Fund on the transaction date.

The Fund allocates all net investment income or expense, net realized and changes in unrealized gains or losses to each share outstanding on a monthly basis in proportion to its interest in the net asset value of the Fund.

Foreign Exchange Transactions

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the statement of operations.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and change in unrealized gains and losses from investments, derivatives, and foreign currency transactions.

Taxation

The Fund is not subject to any income, withholding or capital gains taxes in the Cayman Islands. As a result, no tax liability or expense has been recorded in the accompanying financial statements. If any form of taxation were to be enacted, the Fund has been granted an exemption therefrom until May 16, 2026.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The fair value of the Fund's assets and liabilities, which qualify as financial instruments ASC Topic 825, *Financial Instruments*, approximates the carrying amounts presented in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investment Management Fees and Performance Allocation

In consideration for its investment management services, the Fund pays the Manager, in advance, a quarterly management fee at an annual rate of 2.00% of the value of the Fund's net assets as defined by the Fund's Confidential Information Memorandum (the "Memorandum"). Commencing June 30, 2013, the management fee was reduced to 1.00% and will be further reduced to 0.75% after December 31, 2014.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

3. Investment Management Fees and Performance Allocation (continued)

For the year ended December 31, 2014, the Fund recorded and paid \$115,067 in management fees on the Unrestricted and Restricted shares. A net reversal of prior management fees accrual of \$365,033 was recorded with respect to the various series of Special Situation shares (see table below) leaving an accrual of \$43,785 for management fees on Special Situation shares which will be paid to the Manager only at the time of realization of the respective Special Situation Shares. This liability is presented in the balance “Due to Manager” on the Fund’s statement of assets and liabilities.

Management fees charged to Unrestricted and Restricted shares	\$ (115,067)
Management fees reversal on Special Situation shares	<u>365,033</u>
Management fees net of reversal	<u><u>\$ 249,966</u></u>

A separate class of management shares of the Master Fund is owned by an affiliate of the Manager. These shares receive a special allocation each year from the Master Fund (the Performance Allocation) equal to 20% of the net increase in net asset value per share of each outstanding Class B Share of the Master Fund held by the Fund (including realized and unrealized net gains) for the fiscal year in excess of losses carried forward from prior years. The Performance Allocation is calculated separately with respect to each Class B Unrestricted and Class B Restricted Shares of the Master Fund held by the Fund.

Commencing June 30, 2013, the Performance Allocation will only be payable at such time as cumulative distributions to each investor exceed such investor’s high water mark as of June 30, 2013, plus a preferred return to such investor commencing June 30, 2013, equal to 8% per annum of the net asset value of the investor’s investment in the Fund as of June 30, 2013. Any distributions in excess of high water mark and the preferred return (which for avoidance of doubt will apply simultaneously not cumulatively) will be subject to a customary catch-up in order to give the management shares 20% of total distributions in excess of each investor’s high water mark.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

3. Investment Management Fees and Performance Allocation (continued)

The Performance Allocation, as well as any other portion of the net asset value of the Master Fund attributable to Management Shares, can be withdrawn at any time by the holder of the Management Shares. The holder of Management Shares may cause a portion of the Performance Allocation to be paid from the Master Fund to persons who have introduced investors to the Fund, in lieu of, or in addition to, subscription charges. In accordance with the Memorandum, the crystallized Performance Allocation is charged at the Master Fund level.

No Performance Allocation will be paid with respect to any unrealized gain or loss with respect to a Special Situation Investment prior to the redemption of the Special Situation Shares representing such Special Situation Investment.

The Manager may, in its discretion, waive all or a portion of the management fee or performance allocation with respect to any shareholder.

4. Share Capital

The Fund's authorized capital is \$50,000 divided into 5,000,000 shares, which may be issued as restricted shares, unrestricted shares, special situation shares or side investment shares, each with a par value of \$0.01. Shares are issued as voting shares unless otherwise designated by the Directors. Shares are issued, redeemed and converted in accordance with the terms of the Memorandum.

At the end of each fiscal year where a Performance Allocation has been charged to both the initial series and a subsequent series of shares, such subsequent series shall be rolled up into the initial series. For the year ended December 31, 2014, no series have been rolled up into the initial series.

By Directors' resolution dated May 30, 2013, the Fund suspended redemptions of shares for all redemption dates from May 31, 2013 forward. Subsequent notice was provided to shareholders that the Fund would enter into an orderly liquidation over a targeted four year term. Certain changes favorable to the investors were made including reduced management and performance fees (see Note 3), creation of an advisory committee consisting of the three largest shareholders, and the addition of a key man provision.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

4. Share Capital (continued)

Share transactions for the year ended December 31, 2014, were as follows:

Class	Shares at December 31, 2013	Shares Redeemed	Shares at December 31, 2014
Unrestricted shares	27,209.43	(11.45)	27,197.98
Restricted shares	8,002.08	-	8,002.08
SS Series 1008	4,658.84	(61.52)	4,597.32
SS Series 1208	6,435.37	(85.01)	6,350.36
SS Series 1209	692.96	(19.42)	673.54

Special Situation Shares

From time to time the Fund may issue Special Situation Shares, each set of such shares representing an investment which lacks a readily ascertainable market value or is illiquid. At that time all shareholders in the Fund have a portion of their shares redeemed pro rata to the value of the Special Situation Investment relative to the Fund as a whole, and Special Situation shares are issued pro rata to each shareholder. These shares accrue Management Fees which are paid at the time of realization of the Special Situation Investment. The Special Situation Investment will normally be valued at fair value. A Performance Allocation will only be incurred on Special Situation Shares at the time of realization of the underlying investment.

Only holders of the series of Special Situation Shares representing a Special Situation Investment will share in the subsequent appreciation or depreciation of such Special Situation Investment.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

4. Share Capital (continued)

Special Situation Shares (continued)

Upon any sale or other disposition of all or a portion of a Special Situation Investment, the series of Special Situation Shares representing such Special Situation Investment will be redeemed and the net proceeds thereof will be either distributed to the holders of such series of Special Situation Shares or reinvested in Restricted or Unrestricted Shares on behalf of such holders. When it is determined that a Special Situation Investment should no longer be treated as a Special Situation Investment, the series of Special Situation Shares representing such Special Situation Investment will be redeemed and new Restricted or Unrestricted Shares having the same aggregate Net Asset Value will be issued to the holders of such Special Situation Shares.

5. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

6. Financial Instruments With Off-Balance-Sheet Risk

The Fund's investment in the Master Fund is subject to market and credit risk of securities and financial instruments held or sold by the Master Fund. The Fund bears the risk of loss only to the extent of the market value of its respective investments and, in certain specific circumstances, distributions and redemptions receivable.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

7. Financial Highlights

Financial highlights for the year ended December 31, 2014, were as follows:

	Unrestricted Shares	Restricted Shares
Per share operating performance		
Beginning net asset value	\$ 466.91	\$ 466.91
Change in net assets resulting from operations:		
Net investment expense	(55.86)	(55.94)
Net loss on investments, derivatives and foreign currency transactions	(134.66)	(134.58)
Net change in net assets resulting from operations	(190.52)	(190.52)
Ending net asset value	<u>\$ 276.39</u>	<u>\$ 276.39</u>
Total return		
Total return before and after performance allocation	(40.80)%	(40.80)%
Ratios to average net assets		
Total expenses before and after performance allocation	(18.81)%	(18.81)%
Net investment expense	(13.68)%	(13.68)%

The above per share operating performance and total return are calculated for the initial series of Unrestricted and Restricted Shares. The ratios to average net assets are calculated for each class taken as a whole. An individual investor's per share operating performance, total return and ratios to average net assets may vary from these amounts and ratios based on the timing and amount of capital transactions and differing management fee rates.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Firebird Global Fund II, Ltd. (On a Liquidation Basis)

Notes to the Financial Statements

7. Financial Highlights (continued)

Financial highlights for the year ended December 31, 2014, were as follows:

	Special Situation Shares		
	SS Series 1008	SS Series 1208	SS Series 1209
Per share operating performance			
Beginning net asset value	\$ 84.77	\$ 8.64	\$ 478.95
Change in net assets resulting from operations:			
Net investment expense	(51.76)	21.84	(2.85)
Net loss on investments, derivatives and foreign currency transactions	(33.01)	(30.48)	(476.10)
Net change in net assets resulting from operations	(84.77)	(8.64)	(478.95)
Ending net asset value	\$ —	\$ —	\$ —
Total return			
Total return before and after performance allocation	(100.00)%	(100.00)%	(100.00)%

Ratios to average net assets are not shown for the Special Situation Shares as the ratios calculated would not be representative of actual expenses incurred due to the reversal of prior management fees accrued with respect to the various series of Special Situation Shares during the year (see Note 3).

8. Subsequent Events

Management has evaluated events subsequent to year end and through March 27, 2015, the date the financial statements were available to issue. During this period, the Fund recorded no subscriptions and no redemptions.

See attached consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis).

Audited Consolidated Financial Statements

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Year Ended December 31, 2014

With Report of Independent Auditors



FIREBIRD MANAGEMENT LLC

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Audited Consolidated Financial Statements

Year Ended December 31, 2014

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Report of Independent Auditors

The Board of Directors
Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

We have audited the accompanying consolidated financial statements of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis) (the Master Fund), which comprise the consolidated statement of assets and liabilities, including the consolidated condensed schedule of investments, as of December 31, 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated 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.

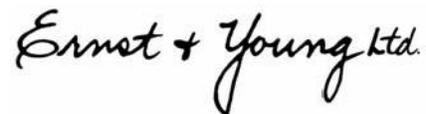
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis) at December 31, 2014, and the consolidated 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.

Liquidation Basis of Accounting

As described in Note 2 to the consolidated financial statements, the Board of Directors of the Master Fund decided to liquidate the Master Fund. As a result, the Master Fund changed its basis of accounting from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.



March 27, 2015

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Statement of Assets and Liabilities
(Stated in United States Dollars)

December 31, 2014

Assets

Cash and cash equivalents	\$ 205,986
Investments in securities, at fair value (cost \$58,264,539)	26,393,097
Investment in other investment fund, at fair value (cost \$2,139,935)	48,324
Total assets	<u>26,647,407</u>

Liabilities

Credit default swap, at fair value (net upfront fees paid \$64,228)	24,646
Due to Manager (see Note 9)	1,024,247
Accounts payable and accrued expenses (see Note 2)	3,665,803
Realized capital gains tax reserve	33,785
Total liabilities	<u>4,748,481</u>
Net assets	<u>\$ 21,898,926</u>

Net asset value per share

Class A L.P. Unrestricted (based on 26,677.64 shares outstanding)	\$ 382.19
Class A L.P. Restricted (based on 7,637.55 shares outstanding)	\$ 382.19
Class B Ltd. Unrestricted (based on 18,100.80 shares outstanding)	\$ 359.00
Class B Ltd. Restricted (based on 4,398.96 shares outstanding)	\$ 358.38
Special Situation SS 1008 (based on 5,370.86 shares outstanding)	\$ —
Special Situation SS 1208 (based on 7,383.95 shares outstanding)	\$ 4.68
Special Situation SS 1209 (based on 934.45 shares outstanding)	\$ 46.44
Management shares (based on 90.25 shares outstanding)	\$ 6,995.69

See accompanying notes.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Condensed Schedule of Investments
(Stated in United States Dollars)

December 31, 2014

Quantity		Fair Value	Percent of Net Assets
Investments in securities			
Equities:			
Common stock:			
Iraq:			
	Banking (cost \$15,628)	\$ —	—%
Kenya:			
	Oil & Gas (cost \$25,160,683)	164,082	0.75
Mongolia:			
	Banking	—	—
	Bread	141,121	0.64
Broker:			
1,054,301	BDSec JSC	1,272,865	5.81
	Cashmere	97,814	0.45
Coal:			
1,142,674	Sharyn Gol JSC	3,651,595	16.67
670,450	Shivee Ovoo JSC	1,775,086	8.11
	Total Coal	5,426,681	24.78
	Construction	93,813	0.43
Fluorspar:			
5,957,255	Berkh Uul JSC	8,173,671	37.32
	Gold	4,883	0.02
	Hotel & Tourism	1,169,779	5.34
	Iron Ore	531,492	2.43
	Leather	31,874	0.15
	Meat Products	1,027,600	4.69
Oil & Gas:			
6,755,771	HI B Oil JSC	2,124,929	9.70
5,000	Hermes Petroleum Berhad	2,580,763	11.78
	Total Oil & Gas	4,705,692	21.48
	Shipping	128,822	0.59
	Telecommunications	143,120	0.65
	Total Mongolia (cost \$11,313,002)	22,949,227	104.78

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

Quantity	Fair Value	Percent of Net Assets
Investments in securities (continued)		
Equities (continued):		
Common stock (continued):		
United States:		
Biotech	\$ —	—%
Uranium	61,303	0.28
Total United States (cost \$481,536)	<u>61,303</u>	<u>0.28</u>
Total common stock (cost \$36,970,849)	<u>23,174,612</u>	<u>105.81</u>
Convertible preferred stock:		
United States:		
Biotech	—	—
Total convertible preferred stock (cost \$500,000)	<u>—</u>	<u>—</u>
Restricted stock:		
Canada:		
Fishing:		
1,325,000 Ocean Harvest Technology Inc.	1,140,374	5.21
Other	92,409	0.42
Total Canada (cost \$2,874,913)	<u>1,232,783</u>	<u>5.63</u>
Congo:		
Oil & Gas (cost \$999,999)	81,613	0.37
North Korea:		
Oil & Gas (cost \$2,705,108)	168,436	0.77

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

Quantity	Fair Value	Percent of Net Assets
Investments in securities (continued)		
Equities (continued):		
Restricted stock (continued):		
United States:		
Biotech	\$ —	—%
Uranium	31,777	0.15
Total United States (cost \$2,200,081)	<u>31,777</u>	<u>0.15</u>
Total other countries (cost \$1,390,012)	—	—
Total restricted stock (cost \$10,170,113)	<u>1,514,609</u>	<u>6.92</u>
Rights:		
Russia:		
Oil & Gas	3,888	0.02
Total rights (cost \$1,066,913)	<u>3,888</u>	<u>0.02</u>
Warrants:		
Kenya:		
Oil & Gas (cost \$0)	582	—
Papua New Guinea:		
Copper, Cobalt & Zinc (cost \$0)	—	—
United States:		
Biotech	—	—
Uranium	2,536	0.01
Total United States (cost \$0)	<u>2,536</u>	<u>0.01</u>
Total warrants (cost \$0)	<u>3,118</u>	<u>0.01</u>
Total equities (cost \$48,707,875)	<u>24,696,227</u>	<u>112.76</u>

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)

Quantity	Fair Value	Percent of Net Assets
Investments in securities (continued)		
Convertible bonds:		
United States:		
Biotech	\$ 1	–%
Total convertible bonds (cost \$1,519,826)	<u>1</u>	<u>–</u>
Government bonds:		
Nauru	1,629,345	7.44
North Korea	67,524	0.31
Total government bonds (cost \$8,036,838)	<u>1,696,869</u>	<u>7.75</u>
Total investments in securities (cost \$58,264,539)	<u>\$ 26,393,097</u>	<u>120.51%</u>
Investment in other investment fund		
United States:		
Natural Resources	48,324	0.22
Total investment in other investment fund (cost \$2,139,935)	<u>\$ 48,324</u>	<u>0.22%</u>
Credit default swaps (buy protection)		
Israel:		
Government Debt	(24,646)	(0.11)
Total credit default swaps (buy protection) (upfront fees paid \$64,228)	<u>\$ (24,646)</u>	<u>(0.11)%</u>

See accompanying notes.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Statement of Operations
(Stated in United States Dollars)

Year Ended December 31, 2014

Investment income

Interest income	\$	25,194
Dividend income (net of nil withholding taxes)		9,007
Total investment income		<u>34,201</u>

Expenses

Professional fees		4,210,376
Legal fees		1,085,637
Bank and broker expenses		130,138
Directors' fees		23,147
Other expenses		17,312
Total expenses		<u>5,466,610</u>

Net investment expense (5,432,409)

Net gain (loss) on investments, derivatives and foreign currency transactions

Net change in realized capital gains tax reserve		3,155
Net realized loss on investments, derivatives and foreign currency transactions		(2,047,110)
Net change in unrealized depreciation on investments, derivatives and foreign currency transactions		(7,370,587)
Net loss on investments, derivatives and foreign currency transactions		<u>(9,414,542)</u>
Net decrease in net assets resulting from operations	\$	<u>(14,846,951)</u>

See accompanying notes.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Statement of Changes in Net Assets
(Stated in United States Dollars)

Year Ended December 31, 2014

Decrease in net assets resulting from operations

Net investment expense	\$ (5,432,409)
Net change in realized capital gains tax reserve	3,155
Net realized loss on investments, derivatives and foreign currency transactions	(2,047,110)
Net change in unrealized depreciation on investments, derivatives and foreign currency transactions	<u>(7,370,587)</u>
Net decrease in net assets resulting from operations	<u>(14,846,951)</u>

Decrease in net assets resulting from capital share transactions

Class A shares subscribed	4,515
Class A shares redeemed	(229,024)
Class B shares redeemed	<u>(177,779)</u>
Net decrease in net assets resulting from capital share transactions	<u>(402,288)</u>

Net change in net assets	(15,249,239)
Net assets at beginning of year	<u>37,148,165</u>
Net assets at end of year	<u>\$ 21,898,926</u>

See accompanying notes.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Consolidated Statement of Cash Flows
(Stated in United States Dollars)

Year Ended December 31, 2014

Operating activities

Net decrease in net assets resulting from operations	\$ (14,846,951)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:	
Net realized loss on investments and derivatives	2,008,073
Net change in unrealized depreciation on investments and derivatives	7,378,332
Purchases of investments and derivatives	(21,263)
Proceeds from sales of investments and derivatives	952,453
Changes in operating assets and liabilities:	
Interest receivable	38,775
Realized capital gains tax reserve	(3,155)
Due to Investment Manager	1,024,247
Accounts payable and accrued expenses	3,441,738
Net cash used in operating activities	<u>(27,751)</u>

Financing activities

Proceeds from issuance of Class A shares	4,515
Payments for redemptions of Class A shares	(229,024)
Payments for redemptions of Class B shares	<u>(177,779)</u>
Net cash used in financing activities	<u>(402,288)</u>

Net change in cash and cash equivalents	(430,039)
Cash and cash equivalents at beginning of year	636,025
Cash and cash equivalents at end of year	<u>\$ 205,986</u>

See accompanying notes.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements

December 31, 2014

1. Organization

Firebird Global Master Fund II Holdings, Ltd. (the “Master Fund”) is an open-ended investment company which was incorporated as an exempted company in the Cayman Islands on February 1, 2012 and commenced operations on that date. The Master Fund is registered under the Mutual Funds Law (2009 Revision) of the Cayman Islands and is subject to regulation under the Cayman Islands Monetary Authority.

Firebird Global Master Fund II, Ltd. (the “Company”) holds a majority of the investments and is a wholly owned subsidiary of the Master Fund. The Company was incorporated as an exempted company in the Cayman Islands on May 4, 2006. As part of the restructuring completed in 2012, the Company established tax residency in Luxembourg.

Prior to announcing the orderly liquidation of the feeder funds (see below), the Master Fund’s investment objective was long-term capital gains, which the Manager (see below) attempted to achieve by investing in a global portfolio primarily composed of securities that reflected the contrarian investment themes of the Manager. The Master Fund invested principally in emerging growth companies and emerging markets that were overlooked by more traditional investors. This included investing in public and private securities, including pre-IPO private equity investments, in early stage “frontier” markets, as well as investments (pursuant to appropriate exemptions and licenses) in countries subject to trade-related or other economic sanctions by the United States or other governments.

The Master Fund acts as the master fund in a master-feeder structure. Substantially all of the net assets of the two feeder funds, Firebird Global Fund II, L.P. (the “Partnership”), a Delaware limited partnership that is registered under the Cayman Islands Mutual Funds Law and Firebird Global Fund II, Ltd. (the “Fund”), an open-ended investment company incorporated in the Cayman Islands as an exempted company and registered under the Cayman Islands Mutual Funds Law, are invested in the Class A and Class B shares, respectively, of the Master Fund. The other investor in the Master Fund is an affiliate of the Manager (see below), who holds all of the Management Shares (see Note 5) in the Master Fund.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

The Master Fund holds certain of its investments through subsidiaries. The subsidiaries listed below are incorporated as private limited liability companies (Société à responsabilité limitée or S.à r.l.) under the laws of Luxembourg. During 2014, a fully owned subsidiary, FG2 Holdings Malta Limited, was liquidated.

<u>Subsidiary</u>	<u>Ownership</u>	<u>Date Incorporated</u>
Firebird Global Master Holdings-2 S.à r.l.	100%	June 8, 2012
Firebird GM2 S.à r.l.	100%	May 24, 2012
Khanate Resource Holdings-2 S.à r.l.	100%	April 17, 2012
SHG Holdings 1 S.à r.l.	100%	September 15, 2011

The Master Fund's investment manager is FG2 Advisors, LLC (the "Manager"), a New York limited liability company. Three of the principals of the Manager are directors of the Master Fund and the Fund and are principals of the general partner of the Partnership. One of the principals of the Manager is a director of the Company. The Manager is a registered investment advisor with the United States Securities and Exchange Commission as a "relying adviser" for which the "filing adviser" is Firebird Management LLC.

Trident Trust Company (Cayman) Limited (the "Administrator") provides administrative services to the Master Fund, the Fund and the Partnership, and maintains the registered office of the Master Fund and the Company. Trident Trust Company (Luxembourg) S.A. provides administration services to the Luxembourg companies while Dechert Luxembourg maintains the registered office of these companies.

JP Morgan Chase (the "Prime Broker"), located in the United States of America, serves as a custodian and the principal prime broker for the Master Fund and the Company.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies

The consolidated financial statements of the Master Fund have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) as detailed in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) and are stated in United States Dollars. The Master Fund meets the definition of an investment company and follows the accounting and reporting guidance in ASC Topic 946, *Financial Services – Investment Companies*. The following is a summary of the significant accounting and reporting policies used in preparing the consolidated financial statements.

The Master Fund adopted the liquidation basis of accounting. Under the liquidation basis of accounting, assets are stated at their net realizable values, liabilities are stated at their estimated settlement amounts, and expenses include all estimated costs to be incurred in connection with the liquidation of the Master Fund. The Manager has determined that based upon the expected timing and manner of disposition and extinguishment of the Master Fund’s assets and liabilities, respectively, the fair value and carrying amounts of such assets and liabilities approximate net realizable value and settlement amounts, respectively. Estimated liquidation expenses of \$3,262,900 are accrued at the year end and included within accounts payable in the consolidated statement of assets and liabilities.

Basis of Consolidation

The consolidated financial statements include the results of the Master Fund and its subsidiaries, after the elimination of all intercompany balances and transactions.

The Master Fund consolidates its investment in other investment funds, in which it has a controlling financial interest. Consolidation requirements typically define a controlling interest as an ownership, directly or indirectly, of over 50% of the outstanding capital of another investment fund unless control is temporary or does not rest with the majority owner.

The Master Fund does not consolidate operating companies for which there is a controlling interest, unless the entity is an operating company providing services to the investment company. For the year ended December 31, 2014, the Master Fund did not consolidate any other investment funds or operating companies.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include amounts due from banks on demand and deposits with original maturities of three months or less. Substantially all of the cash and cash equivalents are held at JP Morgan Chase. Substantially all cash and cash equivalents are held at banks organized in the United States of America. The Master Fund does not expect any material loss as a result of this allocation.

Security Transactions and Related Investment Income and Expenses

Security transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are determined using the first-in first-out method and recorded in the consolidated statement of operations. Interest is recorded on the accrual basis and dividends are recorded net of withholding taxes on the ex-dividend date in the consolidated statement of operations.

Foreign Exchange Transactions

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the consolidated financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the consolidated statement of operations.

The Master Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and change in unrealized gains and losses on investments, derivatives, and foreign currency transactions.

Fair Value of Financial Instruments

The fair value of the Master Fund's assets and liabilities which qualify as financial instruments under Accounting Standards Codification Topic 825, *Financial Instruments*, approximates the carrying amounts presented in the consolidated financial statements.

In accordance with Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC Topic 820), fair value is defined as the price that the Master Fund would receive to sell an investment or pay to transfer a liability under an orderly liquidation in a timely transaction with an independent buyer in the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

ASC Topic 820 establishes a three-tier hierarchy to distinguish between inputs obtained from sources independent of the reporting entity that affect assumptions that market participants would use in pricing an asset or liability (observable inputs) and inputs that reflect the reporting entity's own assumptions that it thinks market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. The inputs are summarized in the three broad levels listed below:

Level 1 – valuations based on quoted prices in active markets for identical assets or liabilities that the Master Fund has the ability to assess and in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 securities. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – valuations based on inputs that are unobservable and significant to the overall fair value measurement. These inputs may include the Manager's own assumptions in determining the fair value of investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Investments may move between different levels during the course of the year and are caused by certain information becoming available to the Manager. The Master Fund recognizes transfers between levels as occurring at the beginning of the reporting period. Information relating to transfers into and out of Level 3 can be found in Note 3.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

In general, portfolio securities that are traded in an active market (in most cases a market where there has been at least one transaction in the last 15 business days and had at least 12 trading days in the recent month at sufficient volumes with reasonably consistent price levels taking into account the volatility of the market in question) are classified as Level 1. These securities are valued at their last reported sales price on the valuation date in the case of securities listed or quoted on a recognized securities exchange, the U.S. NASDAQ National Market List or any comparable foreign quotation system for securities that generally trade daily, or if no prices were quoted on such date, at the last reported sales price on the last prior date when a price was quoted for such securities.

If no such prices have been quoted in an active market, the investment is valued in good faith by the Manager, in consultation with the Administrator, and approved by the Directors, according to the steps outlined in ASC Topic 820. For these Level 2 or 3 securities, the Manager may consult with and rely upon the advice of the Master Fund's custodians, market makers, brokers, and outside valuation services.

Level 2 securities will normally be priced using other observable information including identical or similar securities traded on other exchanges and quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. The Master Fund holds certain securities which are restricted under Rule 144A. Restricted securities are generally fair valued at a discount to similar publicly traded securities.

Investments in other investment funds that meet the definition of an investment company for which its net asset value or partners' capital has been measured in accordance with, or in a manner consistent with, the principles of ASC Topic 946, *Financial Services – Investment Companies*, are valued using the reported net asset value as a practical expedient. Investments in other investment funds are classified as Level 3, but can be Level 2 if they are redeemable at net asset value within six months of the measurement date.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The Master Fund's investments in other investment funds are generally valued at the reported values, provided by or on behalf of the investment fund, after discounts for any applicable redemption charges and any lock-up periods, which valuations are prepared in accordance with such investment fund's governing documents. The Manager considers this a reliable representation of fair value if the investment fund is accepting subscriptions and processing redemptions based on this reported value. However, in certain circumstances, the Manager will estimate the value of such investment based on available relevant information as it considers material.

The strategy of the other investment fund in which the Master Fund has a position is to invest in emerging market equities. This is a closed end fund with a 5-year term which expired on October 31, 2013, and is currently in liquidation.

Fixed income securities are fair valued using market price quotations (where observable) or by the Master Fund's own assumptions (where unobservable). The fair value of derivatives is derived from the Black-Scholes options valuation model or directly from brokers with whom the derivatives are traded. The key inputs to the Black-Scholes options valuation model include historical volatility, market and exercise price, and time to expiry.

For Level 3 securities, the Manager will value the equity securities using either a "market approach," an "income approach," or both approaches, as appropriate. The "market approach" uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The "income approach" uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted).

In following these approaches, the types of factors that may be taken into account include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, the nature and realizable value of any collateral, the issuer of the security's ability to make payments, the issuer's earnings, discounted cash flows and net asset value analysis, the markets in which the issuer does business, comparisons of financial ratios of peer public companies, recent M&A transactions for comparable public or private companies, actual and imminent capital transactions in the subject investee company and the principal market for the relevant security, among other factors.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The Manager and analysts monitor and review the valuation methodologies on a monthly basis. They use the latest available information to update the valuations each month. The Master Fund also engages the services of an independent valuation firm to perform quarterly valuations on certain Level 3 assets. A valuation committee oversees the process and procedures for the valuation of the Level 3 investments in accordance with the valuation policy approved by the Board of Directors. The valuation committee meets on a quarterly basis or more frequently as required. It is comprised of staff of the Manager and three Directors, who are also principals of the Manager.

Because of the inherent uncertainty of valuation of securities and investment funds traded in emerging market economies (see Note 10), the estimated fair values may differ significantly from values that will eventually be realized upon an actual liquidation of the portfolio, and such differences could be material.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Classification

The industry and geographic classifications reflected in the consolidated condensed schedule of investments represent the Manager's belief as to the most meaningful presentation of the classification of the principal business of the holdings in the portfolio.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

3. Financial Instruments

The following is a summary of the inputs used as of December 31, 2014, in valuing the Master Fund's investments carried at fair value, disaggregated by geographic region:

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value December 31, 2014
Financial assets				
Investments in securities				
Equities:				
Africa	\$ 164,082	\$ –	\$ 82,195	\$ 246,277
Asia:				
Mongolia	–	11,892,713	11,056,514	22,949,227
North Korea	–	–	168,436	168,436
Total Asia	–	11,892,713	11,224,950	23,117,663
Europe	–	–	3,888	3,888
North America:				
Canada	–	–	1,232,783	1,232,783
United States	–	93,080	2,536	95,616
Total North America	–	93,080	1,235,319	1,328,399
Total equities	\$ 164,082	\$ 11,985,793	\$ 12,546,352	\$ 24,696,227
Convertible bonds:				
North America	–	–	1	1
Total convertible bonds	\$ –	\$ –	\$ 1	\$ 1
Government bonds:				
Asia	–	–	67,524	67,524
Oceania	–	–	1,629,345	1,629,345
Total government bonds	\$ –	\$ –	\$ 1,696,869	\$ 1,696,869
Total investments in securities	\$ 164,082	\$ 11,985,793	\$ 14,243,222	\$ 26,393,097

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

3. Financial Instruments (continued)

	Level 1		Level 2		Level 3		Fair Value
	Quoted Prices in		Other Significant		Significant		December 31,
	Active Markets		Observable		Unobservable		2014
	for Identical		Inputs		Inputs		
	Assets						
Financial assets (continued)							
Investments in securities							
(continued)							
Investment in other investment fund:							
North America	\$	–	\$	–	\$	48,324	\$ 48,324
Total investment in other investment fund	\$	–	\$	–	\$	48,324	\$ 48,324
Total financial assets	\$	164,082	\$	11,985,793	\$	14,291,546	\$ 26,441,421
Financial liabilities							
Credit default swaps:							
Middle East	\$	–	\$	(24,646)	\$	–	\$ (24,646)
Total credit default swaps	\$	–	\$	(24,646)	\$	–	\$ (24,646)
Total financial liabilities	\$	–	\$	(24,646)	\$	–	\$ (24,646)

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

3. Financial Instruments (continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

	Equities			
	Asia	North America	Other	Total
Balance as at December 31, 2013	\$ 2,122,447	\$ 1,589,688	\$ 1,242,381	\$ 4,954,516
Net realized loss	(250,000)	–	(810,376)	(1,060,376)
Net change in unrealized appreciation (depreciation)	(2,714,855)	712,544	(872,835)	(2,875,146)
Purchases	18,276	–	–	18,276
Sales	–	–	(540,000)	(540,000)
Transfers between jurisdictions	–	(1,066,913)	1,066,913	–
Transfers into Level 3*	12,049,082	–	–	12,049,082
Balance as at December 31, 2014	<u>\$ 11,224,950</u>	<u>\$ 1,235,319</u>	<u>\$ 86,083</u>	<u>\$ 12,546,352</u>
Net change in unrealized appreciation (depreciation) from investments still held as of December 31, 2014	<u>\$ (4,656,078)</u>	<u>\$ 44,381</u>	<u>\$ (313,198)</u>	<u>\$ (4,924,895)</u>

*\$12,049,082 of equities were transferred from Level 2 into Level 3 due to the unavailability of direct observable market information.

	Convertible Bonds		
	Asia	North America	Total
Balance as at December 31, 2013	\$ 500,000	\$ 123,009	\$ 623,009
Net realized loss	–	(129,208)	(129,208)
Net change in unrealized appreciation	8,709	24,039	32,748
Sales**	(508,709)	(17,839)	(526,548)
Balance as at December 31, 2014	<u>\$ –</u>	<u>\$ 1</u>	<u>\$ 1</u>
Net change in unrealized depreciation from investments still held as of December 31, 2014	<u>\$ –</u>	<u>\$ (71,374)</u>	<u>\$ (71,374)</u>

**Sales include bonds converted to common shares.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

3. Financial Instruments (continued)

	Government Bonds			Other Investment Fund
	Asia	Oceania	Total	North America
Balance as at December 31, 2013	\$ 379,270	\$ 1,851,677	\$ 2,230,947	\$ 197,310
Net change in unrealized depreciation	(311,746)	(222,332)	(534,078)	(148,986)
Balance as at December 31, 2014	\$ 67,524	\$ 1,629,345	\$ 1,696,869	\$ 48,324
Net change in unrealized depreciation from investments still held as of December 31, 2014	\$ (311,746)	\$ (222,332)	\$ (534,078)	\$ (148,686)

A quantitative disclosure of the unobservable inputs and assumptions for Level 3 securities has been provided in the chart below.

Asset Class	Geographic Region	Fair Value as at December 31, 2014	Valuation Techniques	Unobservable Inputs	Ranges (Weighted Averages)
Equities	Asia North America Other	\$ 11,224,950 1,235,319 86,083	Comparable companies Discounted cash flows Option pricing method Black Scholes Last round of shares or financing Liquidation valuation	Discount rate Weighted average cost of capital	5-20% 13.25% – 14.25%
Bonds	North America	1	Discounted par value	One time risk adjustment	95.0%
Government Debt	Asia Oceania	67,524 1,629,345	Broker price	One time risk adjustment	67.5%
Investment in other investment funds	North America	48,324	Liquidation valuation		

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

4. Due From/to Brokers and Concentration of Credit Risk

Due from/to brokers generally includes amounts receivable or payable for securities transactions that have not been settled at the date of the consolidated financial statements. Substantially all investments are held with the Prime Broker, JP Morgan Chase, or with the Mongolian Securities Clearing House and Central Depository.

The Master Fund continuously monitors the credit standing of the Prime Broker and does not expect any material loss as a result of this concentration.

The Master Fund also invests in convertible, corporate and government bonds. Until such investments are sold or mature, the Master Fund is exposed to credit risk relating to whether the issuer will meet its obligations when they come due.

5. Share Capital

The authorized share capital of the Master Fund is \$100,000 divided into 2,400,000 non-voting Class A Shares, 2,400,000 non-voting Class B Shares, 10,000 voting Management Shares, 90,000 Side Investment Shares, 100,000 Special Situation Shares, and 5,000,000 Undesignated Shares, each with a nominal or par value of \$0.01. All classes or series of shares are issued as voting Shares unless designated by the Directors as non-voting Shares.

Class A and Class B shares may be issued as restricted shares or unrestricted shares. The restricted shares shall not participate in any profits or losses attributable to newly issued securities (new issues) to the extent required by applicable Financial Industry Regulatory Authority ("FINRA") rules.

Class A Shares of the Master Fund are held by the Partnership. Class B Shares of the Master Fund are held by the Fund. The Management Shares of the Master Fund are held and fully paid by FG2 Holdings LLC, an affiliate of the Manager.

The Master Fund's shares are redeemed by the Fund and the Partnership at a price per share based on the Master Fund's previous month net asset value per share for each share class.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

5. Share Capital (continued)

Share transactions for the year ended December 31, 2014, were as follows:

Class	Shares at December 31, 2013	Shares Subscribed	Shares Redeemed	Shares Transferred	Shares at December 31, 2014
Class A L.P. Unrestricted	27,237.48	8.67	(363.59)	(204.92)	26,677.64
Class A L.P. Restricted	7,533.17	–	(100.54)	204.92	7,637.55
Class B Ltd. Unrestricted	18,378.95	–	(314.18)	36.03	18,100.80
Class B Ltd. Restricted	4,509.92	–	(74.85)	(36.11)	4,398.96
Special Situation SS 1008	5,370.86	–	–	–	5,370.86
Special Situation SS 1208	7,383.95	–	–	–	7,383.95
Special Situation SS 1209	934.45	–	–	–	934.45
Management	90.25	–	–	–	90.25

Special Situation Shares

From time to time, the Master Fund may issue Special Situation Shares, each set of such shares representing an investment which lacks a readily ascertainable market value or is illiquid. At that time, all Shareholders in the Master Fund have a portion of their shares redeemed pro rata to the value of the Special Situation relative to the Master Fund as a whole, and Special Situation Shares are issued pro rata to each shareholder. Such Special Situation Investment will be valued at fair value in accordance with the Master Fund's valuation policy.

Only holders of the series of Special Situation Shares representing a Special Situation Investment will share in the subsequent appreciation or depreciation of such Special Situation Investment.

Upon any sale or other disposition of all or a portion of a Special Situation Investment, the series of Special Situation Shares representing such Special Situation Investment will be redeemed and the net proceeds thereof will be either distributed to the holders of such series of Special Situation Shares or reinvested in Restricted or Unrestricted Shares on behalf of such holders. When it is determined that a Special Situation Investment should no longer be treated as a Special Situation Investment, the series of Special Situation Shares representing such Special Situation Investment will be redeemed and new Restricted or Unrestricted Shares having the same aggregate Net Asset Value will be issued to the holders of such Special Situation Shares.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

5. Share Capital (continued)

Special Situation Shares

Using the September 30, 2008, Net Asset Value (“NAV”), one equity position and two government bond positions were recognized as Special Situation Investment SS 1008 because they each became illiquid. In April 2009, one of the equity positions was redeemed from SS 1008 and new Restricted and Unrestricted Shares having the same aggregated value were issued pro-rata to each of the holders of SS 1008 shares. The aggregate value of the residual positions was nil as at December 31, 2014.

Using the December 31, 2008, NAV, Special Situation Investment SS 1208 was recognized with respect to a private company operating in Kenya representing approximately 0.16% of the net assets of the Master Fund as at December 31, 2014.

Using the December 31, 2009, NAV, one equity position, one convertible bond position and one government bond position were recognized as Special Situation Investment SS 1209 because they had each become illiquid. The aggregate value of the positions recognized represents approximately 0.20% of the net assets of the Master Fund as at December 31, 2014.

6. Performance Allocation and Allocation of Net Profits and Net Losses

Any net appreciation or net depreciation in the value of the assets of the Master Fund in any fiscal period which is not attributable to a particular class or series of Shares shall be allocated among the classes and series in proportion to the net asset value of each class or series, free of any uncrystallized performance allocation made to the Management Shares during the fiscal period, as of the beginning of such fiscal period.

The Management Shares shall be entitled to a special allocation with respect to each Class B Share issued by the Master Fund at the earlier of (i) the end of each fiscal year, (ii) the date of redemption with respect to any Class B Shares which are redeemed, or (iii) the date of transfer with respect to any Class B Shares which are transferred, equal to 20% of the net increase in net asset value per share of such outstanding Class B Share of the Master Fund (after the Master Fund-specific income and expenses) for the fiscal year in excess of losses carried forward from prior years. The special allocation is calculated separately with respect to each series of Class B Shares held by the Master Fund and allocated pro rata to each share in such series.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

6. Performance Allocation and Allocation of Net Profits and Net Losses (continued)

Class A Shares are not subject to the special allocation to Management Shares as the performance allocation is done at the Partnership level.

No performance allocation will be paid with respect to any unrealized appreciation or depreciation with respect to a Special Situation Investment prior to the redemption of the Special Situation Shares representing such Special Situation Investment.

The performance allocation can be withdrawn at any time by the holder of the Management Shares by way of dividend or redemption. For the year ended December 31, 2014, no dividends were declared to the holder of the Management Shares. The Directors do not currently intend to declare dividends on the Class A or Class B Shares. For the year ended December 31, 2014, the Master Fund recorded no performance allocation from the Class B Shares issued.

7. Taxation

There is currently no taxation imposed on income or profits of the Master Fund by the Government of the Cayman Islands. If any form of taxation were to be enacted, the Master Fund has been granted an exemption therefrom until May 8, 2032.

The Master Fund is not subject to United States Federal, state or local taxation. The Master Fund reports tax information to its U.S. resident shareholders on the accrual basis. The Master Fund has elected to be treated as a partnership for U.S. Federal income tax purposes.

ASC Topic 740, *Income Taxes*, provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Master Fund has adopted ASC Topic 740 and its impact is reflected in these consolidated financial statements.

The Master Fund recognizes interest and penalties, if any, as capital gains tax expense in the consolidated statement of operations. During the year, the Master Fund did not accrue any interest or penalties.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

7. Taxation (continued)

Tax accruals are calculated in local currencies. The effective rate to the Master Fund can exceed or be less than the above rates if the local currency has appreciated or depreciated against the U.S. Dollar during the period of investment.

Tax legislation in all of the jurisdictions in which the Master Fund invests is subject to varying interpretations and changes, which can occur unexpectedly. The Manager's interpretation of such legislation as applied to transactions and activities of the Master Fund and its subsidiaries since inception may be challenged by the relevant regional and federal authorities. It is not practical to determine the amount of unasserted claims that may manifest themselves, if any, or the likelihood of any unfavorable outcome thereof.

8. Derivative Financial Instruments

In the normal course of business, the Master Fund may enter into transactions involving derivative financial instruments in connection with its investing activities. These instruments can include currency, commodity, swap or equity options, and credit default swaps. The Manager may, from time to time, use derivatives to protect the overall portfolio from potential adverse change in risk appetite and may also identify speculative derivative positions that could be used to express particular macro views and potentially add alpha to the portfolio.

Derivatives are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a derivative position without the consent of the counterparty, and the Master Fund may not be able to enter into an offsetting contract in order to be able to cover its risk. The Master Fund manages these risks on an aggregate basis along with the risks associated with its investing activities as part of its overall risk management policies.

Premiums paid or received in relation to derivative investments are recorded as cost of the investment in the consolidated statement of assets and liabilities and are subsequently adjusted to fair value. The changes in fair value are recorded in the net change in unrealized appreciation (depreciation) of investments, derivatives and foreign currency transactions in the consolidated statement of operations. As the derivative is exercised or closed, the net gain or loss will be realized. Each derivative represents a separate credit risk, as there is no master netting agreement with the respective third party.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

8. Derivative Financial Instruments (continued)

The Master Fund held the following credit default swap as at December 31, 2014, as included in the consolidated statement of assets and liabilities. The outstanding notional amount is representative of the average notional exposure during the year.

Contract Type	Notional Amount	Termination Date	Total Fair Value
Sovereign (one) (buy protection)	\$ 2,500,000	03/20/2016	\$ (24,646)

The following amounts are recorded in net change in unrealized depreciation of investments, derivatives and foreign currency transactions and net realized loss on investments, derivatives and foreign currency transactions in the consolidated statement of operations.

Contract Type	Net Change in Unrealized Depreciation	Net Realized Loss
Credit default swaps	\$ (10,644)	\$ (25,486)

All derivatives are presented gross in the consolidated statement of assets and liabilities. The Master Fund did not post any collateral as of year-end with respect to its derivative positions at year-end.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

9. Related Party Transactions

In accordance with ASC Topic 850, *Related Party Disclosures*, related parties include principal ownership (defined to include investments where the Master Fund combined with funds under common control hold interests greater than 10%), associated companies (defined as investments where the Master Fund combined with funds under common control hold interests less than 10% and have members on the Board of Directors), and Affiliates. Affiliates are defined as other investment funds managed by the Manager and related parties of the Manager. There were no transactions during the year with related parties.

Included in related parties are the following entities in which the Master Fund and Affiliates have greater than 20% aggregate interest in the entity and/or a Director(s) seat is held.

Name of Company	2014 Ownership by the Master Fund and Affiliates	2014 Investments Held by the Master Fund	Industry
Avax Technologies Inc.	63.63%	\$ –	Biotech
BDSec JSC	22.71	1,272,865	Broker
Berkh-Uul JSC	99.66	8,173,671	Fluorspar
Blacktip Energy Limited	45.57	168,436	Oil & Gas
Dornod Auto Zam JSC	32.00	32,754	Construction
Genco Tour Bureau JSC	31.79	716,759	Hotel & Tourism
HI B Oil JSC	49.85	2,124,929	Oil & Gas
Hermes Petroleum Berhad	50.00	2,580,763	Oil & Gas
Juniper Oil Inc.	45.64	–	Oil & Gas
Khukh Gan JSC	15.50	531,492	Iron Ore
NNRF Inc.	43.29	31,777	Uranium
Sharyn Gol JSC	71.43	3,651,595	Coal
Khot Infrastructure Holdings, Ltd.	52.32	7,942	Construction
Vanoil Energy Ltd.	44.57	164,664	Oil & Gas

All investments in the above companies are carried at fair value, as discussed in Note 2.

During the year, expenses of \$1,024,247 were paid by the Manager on behalf of the Master Fund due to liquidity constraints of the Master Fund. This liability is presented as “Due to Manager” on the consolidated statement of assets and liabilities.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

9. Related Party Transactions (continued)

During 2013, Firebird Global Master Holdings-2 S.à.r.l., a fully owned subsidiary of the Master Fund, provided a \$500,000 convertible loan to HI B Oil JSC, a Mongolian company. This loan is at a commercial rate of interest with an option to convert the principal amount and unpaid interest into common shares of HI B Oil JSC. In January 2014, Firebird Global Master Holdings-2 S.à.r.l., received a total of 4,143,792 shares on conversion of the principal amount of \$500,000 and accrued interest of \$19,110.

10. Investment Risks

The Master Fund's investments are based principally in emerging and frontier economies. Therefore, they are subject to the risks inherent in those economies including, but not limited to:

- the ability to find a buyer in order to sell security positions owned by the Master Fund;
- the risk that until the system of ownership and transfer of ownership is fully centralized, custodian shares held on behalf of the Master Fund may be improperly deleted from companies' shareholder registers;
- the risk that brokers which hold shares for the Master Fund may become insolvent, which may result in a loss of such shares;
- uncertainties regarding existing local laws and regulations that provide protection to owners of investment securities;
- uncertainties regarding the convertibility of local currencies into U.S. dollars;
- private companies in which the Master Fund holds or will hold an interest will be returned to some form of state control or that the assets of such companies will be confiscated by the state without or with inadequate compensation to investors;
- the risk of an economic or political catastrophe or renationalization that could result in a substantial or total loss of the value of the investments;
- a liquidity risk associated with restructuring of companies, during which time such securities may be frozen until registration has been completed; and

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

10. Investment Risks (continued)

- the risk of restrictions being imposed by foreign governments on the repatriation of cash.

The above risks are not unique in the context of emerging markets investing.

The Master Fund could be affected, for the foreseeable future, by these risks and their consequences, and the effects could be significant. The accompanying consolidated financial statements do not include any adjustments that may result from the future clarification of these uncertainties. Such adjustments, if any, will be reported in the Master Fund's consolidated financial statements in the period when they become known and estimable.

11. Indemnifications

The Master Fund enters into contracts that contain a variety of indemnifications. The Master Fund's maximum exposure under these arrangements is unknown. However, the Master Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

12. Financial Highlights

Financial highlights for the year ended December 31, 2014, were as follows:

	Class A L.P. Unrestricted Share	Class A L.P. Restricted Share
Per share operating performance		
Beginning net asset value	\$ 607.85	\$ 607.85
Change in net assets resulting from operations:		
Net investment expense	(81.56)	(83.33)
Net loss on investments, derivatives and foreign currency transactions	(144.10)	(142.33)
Net change in net assets resulting from operations	(225.66)	(225.66)
Ending net asset value	<u>\$ 382.19</u>	<u>\$ 382.19</u>
Total return	(37.12)%	(37.12)%
Ratios to average net assets		
Total expenses	(15.28)%	(15.62)%
Net investment expense	(15.17)%	(15.50)%

The above per share operating performance and total return are calculated for the Class A Unrestricted and Class A Restricted Shares. The ratios to average net assets are calculated for each class taken as a whole. An individual investor's per share operating performance, total return and ratios to average net assets may vary from these amounts and ratios based on the timing of capital transactions.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

12. Financial Highlights (continued)

	<u>Class B Ltd.</u> <u>Unrestricted Share</u>	<u>Class B Ltd.</u> <u>Restricted Share</u>
Per share operating performance		
Beginning net asset value	\$ 570.96	\$ 569.98
Change in net assets resulting from operations:		
Net investment expense	(76.88)	(76.29)
Net loss on investments, derivatives and foreign currency transactions	(135.08)	(135.31)
Net change in net assets resulting from operations	<u>(211.96)</u>	<u>(211.60)</u>
Ending net asset value	<u>\$ 359.00</u>	<u>\$ 358.38</u>
Total return	(37.12)%	(37.12)%
Ratios to average net assets		
Total expenses	(15.33)%	(15.24)%
Net investment expense	(15.22)%	(15.13)%

The above per share operating performance and total return are calculated for the Class B Unrestricted and Class B Restricted Shares. The ratios to average net assets are calculated for each class taken as a whole. An individual investor's per share operating performance, total return and ratios to average net assets may vary from these amounts and ratios based on the timing of capital transactions and differing performance allocation rates.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

12. Financial Highlights (continued)

	SS 1008 Share	SS 1208 Share	SS 1209 Share
Per share operating performance			
Beginning net asset value	\$ 170.91	\$ 45.43	\$ 800.41
Change in net assets resulting from operations:			
Net investment expense	(126.85)	–	(50.48)
Net loss on investments	(44.06)	(40.75)	(703.49)
Net change in net assets resulting from operations	(170.91)	(40.75)	(753.97)
Ending net asset value	\$ –	\$ 4.68	\$ 46.44
Total return			
Total return before performance allocation	(100.00)%	(89.69)%	(94.20)%
Ratios to average net assets			
Total expenses	(94.89)%	–	(6.60)%
Net investment expense	(94.89)%	–	(6.60)%

The above per share operating performance and total return are calculated for the Special Situation Shares. The ratios to average net assets are calculated for each class taken as a whole. An individual investor's per share operating performance, total return and ratios to average net assets may vary from these amounts and ratios based on the timing of capital transactions.

Firebird Global Master Fund II Holdings, Ltd. (On a Liquidation Basis)

Notes to Consolidated Financial Statements (continued)

13. Subsequent Events

Management has evaluated events subsequent to year end and through March 27, 2015, the date the consolidated financial statements were available to issue.

On January 20, 2015, the Directors resolved that it would be in the best interests of the Master Fund if certain expenses related to the collection of amounts owed on the Nauru Bonds of Special Situation SS 1008 were charged to the Class A and B shares, effective November 2014. Therefore, these expenses have been allocated to investors in the Partnership and the Fund. Any proceeds of any judgment or settlement will first be used to reimburse any expenses incurred by the Class A and B shares on behalf of Special Situation SS 1008, then to reimburse expenses incurred by the Special Situation SS 1008, with any excess split proportionately based on expenses incurred between the Class A and B shares and Special Situation SS 1008.

Since the year end, Pershing LLC has been appointed as a custodian and Deutsche Bank (Cayman) Limited the principal bankers of the Master Fund.