

SCS Capital Management, LLC

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This brochure provides information about the qualifications and business practices of SCS Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 617-204-6400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SCS Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Item is not applicable to SCS Capital Management, LLC.

The SEC recently changed its rules and requirements regarding disclosure documents that investment advisers provide to clients. In the future, this Item will summarize certain material changes made to this brochure.

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Advisory Business

SCS Capital Management LLC (“SCS”) is an investment firm founded in 2002 that focuses on two primary market segments: high net worth families and institutional investors.

Wealth Management. SCS provides investment advisory and wealth management services to individuals and related entities, including family trusts and foundations, corporations, business entities and private investment funds through its private client business.

Funds of Hedge Funds. SCS also serves as investment adviser to several pooled investment vehicles, including (i) funds of hedge funds that are registered under the Investment Company Act of 1940 (the “1940 Act”) and offered and sold to high net worth individual investors and certain retirement vehicles, in each case that are “accredited investors” as defined in Regulation D under the Securities Act of 1933 (the “Securities Act”), and (ii) several unregistered funds of hedge funds that are offered and sold to high net worth individual investors as well as institutions including endowments, foundations and pension funds, in each case that are both accredited investors and “qualified purchasers” as defined in the 1940 Act.

As of January 31, 2011, SCS Capital Management’s assets under management were approximately \$7.8 billion, of which approximately \$6.3 billion was managed by SCS on a discretionary basis.

Our mission is to provide conflict-free, investment advice to high net worth families and institutions. We are an organization that places emphasis on partnering with our clients and delivering superior investment results. Our team is comprised of experienced investment professionals with considerable global security and market experience.

SCS’s financial planning professionals work with clients and their SCS relationship team to develop a wealth management strategy, income and cash flow planning, tax planning, and philanthropic strategy. These services are offered through SCS’s parent, SCS Financial Services, LLC. SCS does not provide legal or tax advice, but works closely with a client’s legal and tax advisors to design and implement strategies. SCS seeks to provide an integrated wealth management program whereby investment portfolios reflect not only SCS’s financial market outlook, but integrate the client’s income and spending needs, as well as tax and estate planning objectives.

SCS employees own a majority of the shares of SCS Financial Services, LLC, the parent holding company of SCS, and control 100% of the voting power. External shareholders are individuals who own equity interests in SCS Financial Services, LLC, but have no voting rights and constitute less than 15% of total equity. SCS Financial Services, LLC has a Board of Directors (BOD) made up of senior professionals within the organization. There are no external board members. The BOD is responsible for governance of the firm and there is no additional

compensation payable for service on the BOD. A majority of the equity in SCS Financial Services, LLC is split relatively evenly among the senior professionals. The remainder is held by more junior members of the firm and the outside shareholders.

Fees and Compensation

Wealth Management Clients

Asset Based Fees. SCS charges a fee consisting of a percentage of assets under management. SCS's fee schedule ranges from 0.35% annually to 0.60% annually, based on the supervised asset base. This fee is intended to compensate SCS for designing the overall wealth management plan for the client, including asset allocation, investment manager selection and monitoring, direct investment management of a portion of the client's assets, as well as to compensate SCS for broader wealth management services which are provided through SCS Financial Services, LLC. Fees are payable quarterly in advance on the first day of each calendar quarter based on the market value of assets under management on the last day of the preceding month, unless an alternate arrangement is mutually agreed upon. The fees are debited from the client's custodial account by SCS, as authorized by the client, unless otherwise specified. In the event an advisory relationship is terminated prior to the end of a quarter, SCS's compensation would be pro-rated to the date of termination and any unearned portion reimbursed. The client and SCS may each terminate the advisory relationship upon 30 days written notice to the other. SCS charges a minimum annual fee of \$150,000.

SCS, in its discretion, may negotiate asset-based fees but such fees will generally fall within the above range.

Consulting Fees. For certain clients, SCS is contracted to provide business advisory services unrelated to the investment management services provided to the clients. Under these arrangements, the clients pay SCS an agreed upon consulting fee that is billed quarterly in arrears.

External Investment Manager Fees. Fees charged by the external investment managers selected by SCS to manage portions of the client's assets are separate from and in addition to SCS's basic fees. These fees are set out in each investment manager's investment advisory agreement or, in the case of mutual funds in the prospectus. SCS seeks to negotiate favorable fee rates for its clients where possible, including discounts from the external managers posted advisory fee rates. SCS is responsible for monitoring each relationship and reviewing any fees charged.

Additional Expenses Incurred by clients. In addition to asset based advisory fees, clients will incur charges for custody services and transaction costs associated with the buying and selling of securities within their accounts.

Funds of Hedge Funds

Management and Performance Fees. For SCS's fund of hedge fund clients, SCS or its affiliate charges a management fee (the "Management Fee") consisting of a percentage of assets under management. The Management Fee for each fund varies with the fund but ranges, on an annual

basis, from 0.80% to 1.25% of the market value of each investor's investment in a fund. The Management Fee may be payable either (i) quarterly in advance as of the first business day of each calendar quarter, giving effect to any contributions of capital to the fund on that day or (ii) accrued monthly and paid quarterly in arrears. A pro-rated Management Fee generally is assessed on any investment in a fund made as of a date other than the first (or last, as applicable) day of the calendar quarter. In addition, for certain funds, SCS or an affiliate may charge a performance allocation or performance fee (the "Performance Fee"), which is described below under "Performance-Based Fees and Side-by-Side Management."

SCS may, in its sole discretion, waive all or a portion of the Management Fee or Performance Fee or, as agreed to by the relevant investor in a fund, charge a Management Fee or Performance Fee that is lower than, or otherwise on different terms than, those described above. SCS may waive fees or charge lower fees with respect to the investment of any investor that is affiliated with or otherwise related to SCS, the funds or their affiliates.

Other Expenses. The funds of hedge funds managed by SCS bear all of their own operating expenses, which generally include overhead and administrative expenses, including filing fees, legal expenses, tax preparation expenses and the fees associated with an annual audit, as well as expenses relating to due diligence, research, investment-related travel, databases and financial information services and background checks. The funds will also bear a pro rata portion of the expenses of each underlying fund in which the fund invests, including the management and incentive fees payable to the portfolio managers of such Portfolio Funds.

Additional Information on Fees and Expenses. The above description is a brief summary of certain fees and expenses applicable to the funds. A more complete description of the fees to be paid to SCS and its affiliates in connection with an investment in each fund, as well as the expenses of each fund, is available in the offering memorandum and other governing documents of such fund, which are made available to each eligible prospective investor before, or by the time of, any investment in the fund.

Performance-Based Fees and Side-by-Side Management

Funds of Hedge Funds Performance Fee

In addition, for certain funds, SCS (or an affiliate) may charge a Performance Fee consisting of a percentage of the fund's net realized and unrealized profits, and the terms of the Performance Fee may vary among funds. The Performance Fee generally is equal to 10% of the net realized and unrealized gains on investments only to the extent that the value of the investments exceeds the prior high value of such investments measured annually. The Performance Fee may be subject to a "hurdle" rate and/or a high water mark. The Performance Fee is generally payable annually but will be assessed on withdrawal proceeds at the time of the withdrawal from a fund if such withdrawal occurs prior to the date of the next annual payment. SCS will comply with the applicable requirements of Rule 205-3 under the 1940 Act in connection with the Performance Fee. For a brief description of the Performance Fees charged by each SCS fund, please see "Other Industry Affiliations" below. A more detailed description is included in the applicable fund's offering memorandum.

Wealth Management Performance Fee

For certain wealth management clients, SCS (or an affiliate) charges a performance fee consisting of a percentage of the accounts net realized and unrealized profits. The performance fee generally is equal to 15% of the net realized and unrealized gains on investments only to the extent that the value of the investments exceeds the "Hurdle". The "Hurdle" is the agreed upon blended benchmark for the client account. The performance fee is calculated annually based upon the anniversary date of the opening of the clients account. In addition, the performance fee will only be charged if the performance over the prior calendar year and the prior three years is positive and has outperformed the agreed upon blended benchmark.

General

The Performance Fee applicable to certain client accounts and funds may create an incentive for SCS to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, the Performance Fee may create an incentive for SCS to favor client accounts and funds that charge Performance Fees and are likely to be higher fee paying accounts over other client accounts or funds in the allocation of investment opportunities. SCS follows principles for allocating investment opportunities in a manner that it believes will ensure that all clients are treated fairly and equally, with the goal of preventing these conflicts from influencing the allocation of investment opportunities among clients. Furthermore, because the Performance Fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, the Performance Fee may be greater than if it were based solely on realized gains.

Types of Clients

As described under “Advisory Business” above, the types of clients to whom SCS generally provides investment management services include high net worth individuals and related entities, including family trusts and foundations, corporations and business entities, as well as privately offered investments funds, including funds that are registered under the 1940 Act.

SCS generally requires its clients to have a minimum of \$25 million of assets under management and/or be subject to a minimum relationship fee level. Under certain circumstances, the minimum account size and/or relationship fee may be waived. SCS’s funds of funds generally have a lower minimum investment, which generally ranges from \$25,000 to \$1,000,000. Under certain circumstances, the minimum investment amount may be waived. In order to be eligible to invest in the SCS funds, prospective investors must be “accredited investors” as defined in Regulation D under the Securities Act, and for certain of the SCS funds, “qualified purchasers” as defined in the 1940 Act.

Methods of Analysis, Investment Strategies, and Risk of Loss

Primary Investment Strategies

In managing the client's assets, SCS formulates an overall investment strategy which takes into account the client's individual financial landscape and investment objectives, including his or her income, spending and lifestyle needs and particular tax circumstances. To assist in setting the strategy, SCS offers to review a client's tax, estate planning, and insurance programs. Specifically, SCS provides the following investment services to its clients as appropriate in their individual circumstances:

Asset Allocation and Portfolio Design

SCS designs an investment strategy for each client which works in conjunction with the client's overall wealth management plan. The strategy takes into account SCS's opinion of the client's risk tolerance and return objectives to design a portfolio that combines lower return, lower risk investment classes, such as high quality bonds, with higher return seeking asset classes such as public and private equity investments.

Traditional and Alternative Assets Manager Review and Selection

SCS utilizes both commercially available and proprietary databases to track the universe of investment managers in both traditional (*e.g.*, long-only marketable securities) and alternative assets (*e.g.*, venture capital funds, buyout funds, mezzanine stage investment funds, directional and absolute return hedge funds). SCS focuses on investment managers which have demonstrated a high degree of expertise at implementing a particular investment strategy or strategies. SCS recommends unaffiliated third party investment managers (referred to herein as "external investment managers") which specialize in all of the major asset classes, including cash management, fixed income, large, medium and small capitalization stocks, international securities and alternative investments such as private equity and hedge funds. To identify particular managers to manage portions of its clients' assets either directly or through investments in public or private funds managed by the managers, SCS utilizes a rigorous screening process, evaluating a range of quantitative factors based upon the investment manager's (i) historical performance, (ii) risk-return profile, (iii) consistency of returns, (iv) downside risk, (v) use of leverage, and (vi) market/peer group correlation. SCS also considers qualitative factors, such as (i) the experience and integrity of the manager's management team, (ii) the soundness and capacity of the investment strategy employed by the manager, (iii) the manager's risk management strategies, and (iv) the quality of the manager's infrastructure.

SCS typically enters into discretionary agreements with clients whereby SCS is granted limited power of attorney to select, engage and replace, if necessary, external investment managers and make investments in pooled investment funds on the clients' behalf to implement the wealth management program. In either case, SCS then monitors the selected managers and funds on an ongoing basis to ensure that they continue to adhere to SCS's high standards of quality, risk control and tax efficiency. In limited circumstances, SCS will serve in a non-discretionary capacity.

Depending on the needs of each client, SCS may purchase securities directly in the financial markets to implement a wealth management program. Examples include, but are not limited to, high quality taxable and tax-exempt bonds, cash instruments, exchange traded funds, etc.

Portfolio Implementation

SCS works to reduce the administrative burdens on its clients that come with implementing the various components of the client's overall investment plan. SCS clients have the option of executing a Limited Power of Attorney that authorizes SCS to engage third party investment managers on behalf of the client. In all cases, SCS assists the client to complete necessary paperwork and oversee and monitor the implementation and investment processes of the various investment managers selected.

Portfolio and Performance Monitoring

SCS provides its clients with a consolidated report on a quarterly basis which provides the total portfolio returns. The performance will be compared to relevant benchmark indices. The report will also contain a qualitative review of the client's portfolio along with a component of recommended actions.

Funds of Hedge Funds

The SCS funds of hedge funds programs are designed to preserve and grow capital by producing absolute returns with reduced volatility and low correlation relative to the equity markets. Strong relative performance is achieved through an intensive manager selection process while risk is managed through thoughtful portfolio construction and diversification across strategies, geographies and sectors. The program's objective generally is to produce equity-like returns while retaining significant downside protection. We invest with top-tier hedge fund managers and feel we do not over-diversify the portfolios. SCS pays careful attention to security level diversification within the portfolio while other funds of hedge funds over-diversify by investing with a larger number of managers, many of whom may be considered second tier and or hold the same or similar positions. The portfolio is composed of a mix of uncorrelated sources of alpha by combining established portfolio managers alongside emerging managers who have significant experience managing portfolios at previous firms. For risk control, under normal market conditions, a portion of the fund's investment portfolio (approximately 5-25%) is generally invested in managers who are expected to generate significant returns in down markets. In addition to traditional hedge fund strategy classifications such as long/short equity and event driven, we broadly classify managers into three categories; Growth, Uncorrelated, and Defensive. Growth managers have the general profile of a manager who has long net exposure to markets. Uncorrelated managers focus purely on security selection for their returns and do not exhibit a directional bias. Finally, Defensive managers' portfolios are constructed to produce outsized returns in down markets in order to protect the portfolio.

Summary of Certain Risks

Investing in securities involves risk of loss that clients and investors in the SCS funds should be prepared to bear.

The following is a brief summary of certain of the more significant risks associated with SCS's investment strategies. For the SCS funds, a more detailed description of the risks associated with SCS's investment strategies as well as other risks associated with an investment in each fund is included in the fund's offering memorandum. *Please see the private placement memorandum of each fund for information regarding the principal risks applicable to the SCS funds.*

Risks Associated with Asset Allocation and Fund-of-Funds Strategies

Selection and Monitoring of Managers and Funds. There is a risk that SCS, in its selection process, will not identify appropriate underlying managers or funds for client portfolios, existing weaknesses in an underlying manager's compliance or operational controls or existing material regulatory, financial or other operational issues. Further, there is a risk that an underlying manager or fund does not meet SCS's expectations over time, develops significant weaknesses in its compliance or operational controls that could materially adversely affect a client's investment or could develop material regulatory, financial or other operational issues.

Multiple Managers. The overall success of SCS's strategies depends on, among other things, (i) the ability to develop a successful asset allocation strategy, (ii) the ability to select underlying funds and managers and to allocate the assets amongst them, and (iii) the ability of the underlying managers to be successful in their strategies. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategy or strategies utilized will be successful under all or any future market conditions.

Because SCS may allocate client assets to multiple underlying funds or accounts of managers who make their trading decisions independently, it is theoretically possible that one or more of such underlying managers may, at any time, take positions which may be opposite of positions taken by other underlying managers. It is also possible that underlying managers may on occasion take substantial positions in the same security or group of securities at the same time. The possible lack of diversification caused by these factors may subject a client's portfolio to more rapid change in value than would be the case if the portfolio were more widely diversified. In addition, a particular underlying manager may take positions for a client's which may be opposite to positions taken for its other clients.

Dependence on Portfolio Managers. SCS is highly dependent upon the expertise and abilities of the underlying managers to which it allocates client assets. Such underlying managers will have investment discretion over client assets and, therefore, there is a risk that an event having a negative impact on one of the underlying managers, such as a significant change in personnel or corporate structure or resources, may adversely affect SCS's clients' results. Underlying managers selected by SCS may not have extensive track records. SCS may take certain precautions to limit the amount of assets it allocates to newly-established or inexperienced underlying managers.

Due diligence considerations. SCS will conduct extensive due diligence in selecting the underlying funds and managers. However, due diligence is not foolproof and may not uncover problems associated with a particular underlying fund or manager. For example, one or more of the underlying managers may engage in improper conduct, including unauthorized changes in

investment strategy, which may be harmful and may result in losses to the SCS fund or client account. SCS may rely upon representations made by underlying managers, accountants, attorneys, and/or other service providers. If any of these representations are misleading, incomplete or false, this may result in the selection of an underlying fund or manager that might have otherwise been eliminated from consideration if fully accurate and complete information had been made available to SCS. Although the underlying funds and managers are subject to SCS's established investment guidelines, there can be no assurance that the underlying funds and managers will comply with these guidelines. Failure to comply with the guidelines could result in an unintended deviation in the investment strategy, which could result in losses.

Certain Investment Risks

General. Investments selected directly by SCS and/or the underlying funds or managers selected by SCS may decline in value for any number of reasons, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, general economic conditions, political conditions and other similar conditions. The value of clients' investments will fluctuate, and there is no assurance that SCS or an underlying manager will achieve any client's investment objective.

Hedge Funds and Other Alternative Assets. Investments in alternative assets, such as hedge funds and other private investment funds often are: (i) highly speculative and invest in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent than public investments; (vii) subject to significant restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these strategies will be subject to additional layers of fees and expenses which will reduce profits or increase losses.

Risks Specific to Strategies of SCS Funds. The SCS funds of hedge funds pursue their own investment strategies, such as long/short equity, relative value and event-driven strategies. Please refer to the private placement memorandum of each fund for a discussion of the principal risks specific to that fund's investment strategies. Each SCS fund may engage, directly or indirectly, in the trading of derivative instruments. Please see each fund's private placement memorandum for a discussion of the principal risks related to the fund's investment in derivatives.

Fixed Income Securities. Fixed-income securities, including investment grade securities, are subject to certain common risks, including (i) if interest rates go up, the value of fixed-income securities in a fund's portfolio generally will decline; (ii) the issuer or guarantor of a fixed-income may default on its payment obligations, become insolvent or have its credit rating downgraded; (iii) the value of a fixed-income security may decline as a result of the issuer's falling credit rating; (iv) during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing a fund to reinvest in lower

yielding securities; (v) during periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments, which may lock in a below market interest rate, increase the security's duration and reduce the value of the security; and (vi) SCS's or the underlying manager's judgment about the attractiveness, relative value or potential appreciation of a particular sector, security or investment strategy may prove to be incorrect.

Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of SCS' advisory business or the integrity of SCS' management.

Other Financial Industry Activities and Affiliations

SCS Funds

SCS provides advice to clients regarding investments in private investment funds that may invest in both traditional and alternative asset classes. These include private investment funds or funds of private investment funds that invest in equity securities, venture capital funds, buyout funds, mezzanine stage investment funds, directional and absolute return hedge funds, among other strategies. SCS may use a combination of private investment funds sponsored by unaffiliated external managers, and/or private investment fund of funds managed by SCS or an affiliate to manage some or all of a client's assets. Below is a list of each of the investment funds managed by SCS or an affiliate.

SCS Equity Strategies Fund, LLC and SCS Navigator Fund, LLC

The SCS Equity Strategies Fund, LLC ("ESF") and SCS Navigator Fund, LLC ("Navigator Fund") are private investment funds managed by SCS. ESF and Navigator Fund's investment objective is to seek long-term capital appreciation from investments in equity or equity-like securities. Both funds pursue this objective by allocating their assets primarily among underlying managers that invest directly or indirectly in publicly traded equity securities in the global equity market, with the Navigator Fund placing an emphasis on managers investing in non-U.S. equity markets. These underlying managers will generally be engaged by SCS as sub-advisors to ESF and the Navigator Fund. There is no additional investment management fee payable to SCS by ESF and Navigator Fund. Instead, investors in the Funds pay to SCS a fee based on all assets under SCS's advisement, including assets invested in ESF and Navigator Fund. All investors in ESF and Navigator Fund do, however, pay their pro-rata share of accounting, administrative, legal, and other expenses, as well as the fees charged by the underlying managers. The minimum investment is \$250,000, but is subject to waiver by SCS.

SCS Capital Partners Fund, LLC and SCS Opportunities Fund Ltd.

SCS Capital Partners Fund, LLC ("Capital Partners") and SCS Opportunities Fund Ltd. ("Opportunities Fund") investment objective is to seek attractive, absolute and relative returns with volatility that is lower than that of the equity market and returns that demonstrate a low correlation to both the equity and fixed income markets. Both funds will pursue their objectives by allocating their assets among a diversified group of hedge funds managed by underlying managers with differing styles and strategies. SCS will select portfolio managers on the basis of various criteria, including, among other things, the underlying manager's investment performance during various time periods and market cycles, the hedge fund's infrastructure, and the underlying managers' reputation, experience, training and investment philosophy. In addition, SCS favors underlying managers that have a substantial personal investment in the investment program. The minimum investment in Capital Partners and Opportunities Fund is \$1,000,000. Subsequent capital contributions generally will be required to be at least \$250,000. SCS has reserved the right, in its sole discretion, to accept reduced initial and subsequent capital contributions. Investors in Capital Partners and Opportunities Fund may pay SCS an investment management fee between 0.8% and 1.0% annually. Investors in Capital Partners and

Opportunities Fund may also pay SCS a performance allocation of 10% above a high water mark as described in Capital Partners' and Opportunities Fund Private Placement Memorandum. SCS, in its sole discretion, may, in effect, waive or reduce the management fee and or the performance allocation to be paid by investors that are members, principals, employees or affiliates of SCS, relatives of such persons and certain large or strategic investors. All investors in Capital Partners and Opportunities Fund also pay their pro-rata share of accounting, administrative, legal, and research expenses. To avoid a financial conflict of interest, SCS will waive investment management fees for those investors in Capital Partners or Opportunities Fund that pay a wealth management fee to SCS. These investors will, however, bear their pro-rata portion of legal, accounting, and other non-investment management expenses of the Capital Partners and Opportunities Fund.

SCS Hedged Opportunities Fund, LLC and SCS Hedged Opportunities (TE) Fund, LLC

Each of SCS Hedged Opportunities Fund, LLC and SCS Hedged Opportunities (TE) Fund, LLC (the "Registered Funds") invests substantially all of its assets in a "master fund," SCS Hedged Opportunities Master Fund, LLC. (SCS Hedged Opportunities (TE) Fund, LLC makes this investment indirectly through an intermediate fund, SCS Hedged Opportunities Fund, LDC which in turn invests substantially all of its assets in the master fund.) The investment objective of the Registered Funds is to seek attractive, long-term capital appreciation with volatility that is lower than that of the equity market and returns that demonstrate a low correlation to both the equity and fixed income markets. The Registered Funds pursue their objective by allocating assets among a diversified group of hedge funds managed by underlying managers with differing styles and strategies. SCS will select portfolio managers on the basis of various criteria, including among other things, the underlying manager's investment performance during various time periods and market cycles, the hedge fund's infrastructure, and the underlying manager's reputation, experience, training and investment philosophy. In addition, SCS favors underlying managers that have a substantial personal investment in the investment program. The minimum investment in the Registered Funds is \$25,000. Subsequent investment will generally be required to be at least \$10,000. Investors in the Registered Funds will pay SCS an investment advisory fee of 1.25% annually, subject to an expense limitation agreement between SCS and the Registered Funds, as set forth in the Private Placement Memorandum. All investors in the Registered Fund also pay their pro-rata share of accounting, administrative, legal, and other fund expenses.

SCS Institutional Global Series I, LLC

SCS Institutional Global Series I, LLC ("SCS Institutional Global Series") is a customized separate account of hedge funds for a large institutional investor. SCS Institutional Global Series' investment objective is to seek attractive absolute and relative returns with volatility that is lower than that of the equity market and returns that demonstrate a low to moderate correlation to both the equity and fixed income markets. The risk and return profile of SCS Institutional Global Series is customized to the investor's preferences as indicated on the portfolio investment policy.

SCS Insurance Global Series I, LLC

SCS Insurance Global Series I, LLC ("SCS Insurance Global Series") is an insurance dedicated fund within the SALI Multi Series Fund, L.P., which is a Delaware Limited Partnership. SALI Fund Management, LLC is the Investment Manager and has entered into a Sub Advisor

Agreement with SCS Capital Management to manage the assets of SCS Insurance Global Series. SCS Insurance Global Series' investment objective is to seek attractive absolute and relative returns with volatility that is lower than that of the equity market and returns that demonstrate a low to moderate correlation to both the equity and fixed income markets.

SCS Private Investment Fund I, LLC

The primary objective of the SCS Private Investment Fund I, LLC ("PI Fund") is to achieve long-term capital appreciation by building a portfolio of private equity, venture capital, and related investments, depending on the market environment and opportunities. To accomplish this long term objective, SCS invests in both established funds of private investment funds and through one or more direct private investment funds. The minimum capital commitment by each Member is \$100,000, subject to reduction by the discretion of the manager. Investors in the PI Fund may pay SCS an investment management fee of 1.5% annually. To avoid a financial conflict in interest, SCS will waive investment management fees for those investors in the PI Fund that pay a wealth management fee to SCS. These investors will, however, bear their pro-rata portion of legal, accounting, and other non-investment management expenses of the PI Fund.

SCS Fixed Income Strategies Fund, LLC

The investment objective of SCS Fixed Income Strategies Fund, LLC ("SCS Fixed Income Fund") is to seek income along with the preservation of capital through investment in fixed income and other securities. SCS Fixed Income Fund intends to pursue this objective by allocating its assets primarily to publicly traded and privately placed fixed income securities, either directly through the purchase of such fixed income securities or indirectly through the hiring of one or more underlying fixed income managers who invest directly or indirectly in such fixed income securities and other similar instruments. The minimum subscription is \$100,000, subject to the sole discretion of SCS to accept lesser amounts. There is no additional investment management fee payable to SCS by SCS Fixed Income Fund. Instead, investors in SCS Fixed Income Fund pay to SCS a fee based on all assets under SCS's advisement, including assets invested in SCS Fixed Income Fund. All investors in SCS Fixed Income Fund do, however, pay their pro-rata share of accounting, administrative, legal, and other expenses, as well as the fees charged by the underlying managers.

SCS Special Situations Fund, LLC and SCS Special Situations Fund, Ltd.

SCS Special Situations Fund, LLC and SCS Special Situations Fund, Ltd., which invests substantially all of its assets in SCS Special Situations Fund, LLC (together, the "Special Situations Fund") is a focused fund-of-hedge funds that employs a global approach to source, analyze and co-invest across distressed and event-driven hedge funds. The Special Situations Fund's objective is to preserve and grow capital by generating absolute returns with lower volatility and correlation relative to the equity and credit markets. Through intensive underlying manager and fund selection and a focus on smaller underlying managers with specific investment specialties, the Special Situations Fund attempts to produce a diversified portfolio of independent special situations strategies. In addition to the core allocation of direct hedge fund investments, the Special Situations Fund opportunistically allocates capital to co-investment and secondary trades. The minimum initial investment in the Special Situations Fund is \$1,000,000. Subsequent investments generally will be at least \$250,000. Investors in the Special Situations Fund may pay SCS an investment management fee of 1% annually. Investors in the Special Situations Fund

may also pay SCS a performance allocation of 10% above a high water mark, and subject to a “hurdle” as described in the Special Situations Fund private placement memorandum.

Certain Other Affiliations

An affiliate of SCS, SCS Fund Management, LLC, is serves as the manager of Capital Partners and SCS Institutional Global Series.

The following employees of SCS that participate in the marketing activities with respect to the Registered Funds are also registered representatives of Quasar Distributors, LLC which provides certain marketing services to the Registered Funds: Steven Nelson and Cassandra Bass. It is expected that Kristen Poulin also will serve as a registered representative of Quasar Distributors, LLC in connection with the marketing of the Registered Funds.

Code of Ethics, Interest in Client Transactions, and Personal Trading

SCS and its officers and employees attempt to avoid or minimize conflicts of interest that may arise as a result of the management of clients' portfolios. From time to time SCS may recommend or cause a client to invest in a private investment fund in which SCS, or a person associated with SCS, may have an investment, or act as general partner, manager, or investment adviser or investment sub adviser, including the SCS Equity Strategies Fund, LLC, SCS Navigator Fund, LLC, SCS Capital Partners Fund, LLC, SCS Opportunities Fund, LTD., SCS Special Situations Fund LLC, SCS Special Situations Fund, LTD, SCS Hedged Opportunities Fund, LLC, SCS Hedged Opportunities (TE) Fund LLC, SCS Private Investment Fund I, LLC, SCS Fixed Income Strategies Fund, LLC, SCS Insurance Global Series I, LLC and SCS Institutional Global Series I, LLC. In order to ensure that SCS clients do not pay SCS or its affiliates multiple levels of fees, SCS waives the Management Fee and, if applicable, Performance Fee payable by the fund to SCS for any SCS client that pays an account level investment advisory fee to SCS.

SCS has adopted a Code of Ethics, a copy of which is available upon request, which identifies procedures intended to prevent associated persons and certain relatives from benefiting from any price movements that may be caused by client transactions or SCS's recommendations regarding such securities. Under those procedures, all of SCS's officers and employees are restricted from trading individual equities and options on equities. Employees owning equities that were acquired prior to being subject to the code of ethics must pre-clear any sale of these shares and may not acquire additional shares. All employees are required to pre-clear any securities purchased in a private placement (which would include interests in private investment funds), and pre-clear the sales of any securities acquired in a private placement.

SCS has a policy whereby its designated compliance officer periodically reviews purchases and sales in the market by its officers and employees of securities of the same kind as are held in the portfolios of clients. In addition, employees are required to submit personal holdings reports at the time they become an employee and annually thereafter. SCS may become aware of client positions in individual securities through its supervision of external managers engaged by the client. SCS's policy is based upon the requirement that no individual may in any way use information acquired by him or her in the conduct of his or her employment by SCS when this may occur at the expense of a client or is in any way contrary to a client's interests. Accordingly, each such person whose functions or duties relate to providing investment advice to clients is required to avoid knowingly purchasing or selling securities in such a way as to compete in the market place with clients, or otherwise to adversely affect their transactions, use knowledge of client security transactions effected by external investment managers for clients to profit by the market effect of such transactions, or give to others information of proposed or current purchases, sales or holdings by any client (to the extent privy to such information from external managers) because of a possibility of such others taking action detrimental or potentially detrimental to such client, or improperly using such knowledge for their own use or benefit. SCS's compliance officer reviews transactions of advisory-level associated persons on a periodic basis.

Brokerage Practices

Decisions as to which broker-dealers to use for execution when making investments in public or private investment funds or when directed to effect a securities transaction by the client are made on the basis described under ‘Selection of Brokers’ below. Clients may direct SCS and the external investment managers to use one or more particular broker-dealers in managing their accounts. When SCS has the discretion to purchase and sell individual securities, SCS may direct transactions to one or more particular brokers. When SCS has the discretion to engage external investment managers, SCS may also direct the external investment managers to use one or more particular broker-dealers when effecting securities transactions for that portion of the client’s assets allocated to that manager. Such direction may be based upon instructions from the client or, if none, at SCS’s discretion.

Selection of Brokers

When SCS does have the discretion to select broker-dealers, SCS’s decisions as to which broker-dealer to use to execute client transactions is generally made on a transaction-by-transaction basis however, as discussed below, in certain circumstances directed brokerage arrangements may be aggregated. In selecting a particular broker-dealer to effect a securities transaction for a client account, SCS’s primary objective is to obtain “best execution”. Price, giving effect to brokerage commissions (if any) and other transaction costs, is a principal factor, but the selection also takes into account other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer’s willingness to commit capital, the broker-dealer’s reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, and the value of any research products and services and brokerage services provided by the broker-dealer. SCS need not, however, solicit competitive bids and does not have an obligation to seek the lowest available commission cost. When SCS engages external investment managers to implement clients’ wealth management programs under discretionary authority, it generally will allow the external investment manager to direct brokerage according to that external managers’ broker selection policy. In certain instances, however, SCS may direct external managers from time to time to use particular broker-dealers to effect securities transactions for SCS client accounts. In this case, external managers under the direction by SCS to use a specific broker-dealer may aggregate all transactions effected under this direction. As described below, such direction may benefit both the client and SCS.

The Role of Products and Services in Brokerage Allocation

SCS has arrangements with certain broker-dealers pursuant to which SCS may receive products or services from those broker-dealers when client securities transactions are executed through those broker-dealers. These arrangements with brokers generally fall within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) which provides a safe harbor for the receipt of “research” products and services from the broker-dealer. Most of the products and services provided by brokers to SCS would be characterized as “research”. These may include research reports on particular industries and companies, economic surveys, data and analyses, recommendations as to specific securities, financial publications, and other products or services (e.g., computer services, including software and databases) that

provide lawful and appropriate assistance to SCS in the performance of its investment decision making responsibilities. SCS generally uses such products and services for the benefit of all of SCS's accounts, sometimes including accounts other than those that pay commissions to the broker-dealer providing the products or services.

Unless otherwise directed by a client, SCS may also allocate a specific amount of brokerage to individual broker-dealers based on brokerage or research services rendered. The procedure for such an allocation may entail SCS's determining that obtaining a particular research or brokerage service or product will enhance execution quality or efficiency or assist SCS in providing investment management services. To the extent consistent with SCS's duties to its clients and only if SCS determines that the commission is reasonable in relation to the value of the brokerage and research services received, SCS may direct brokerage to brokers that provide such services or products in amounts sufficient to obtain the particular services or products. Provided that SCS determines in good faith that the commission charged is reasonable in relation to the value of brokerage and research services provided by the broker, SCS may cause a client account to pay a broker an amount of commission greater than the amount another broker-dealer may charge. Generally, brokerage firms do not charge SCS a separate fee for proprietary research and other services. The continued provision of such services to SCS is not conditioned on SCS directing any particular level of transactions to these brokerage firms.

SCS's use of client brokerage commissions to obtain research or other products or services, benefits SCS because SCS does not have to produce or pay for the research, products or services it receives in such arrangements. This may create an incentive for SCS to select or recommend a broker-dealer based on SCS's interest in receiving the research or other products or services, rather than on the interests of its clients in receiving the most favorable execution. Brokerage and research services received by SCS could benefit client accounts other than the account generating the soft dollar credits. SCS's receipt of research services will not reduce a client's fees, including any Management Fee or Performance Fee.

SCS reviews transaction results from time to time to determine the quality of execution and services provided by the various broker-dealers through whom SCS executes client transactions, to evaluate the reasonableness of the compensation paid to such broker-dealers in light of all the factors described above.

Directed Brokerage

Clients may instruct SCS and the external managers engaged to implement clients' wealth management plans to use one or more particular broker-dealers in managing their accounts. Clients may benefit from such direction to use a broker that also serves as custodian of the client's assets because the custodian may waive certain of the costs associated with maintaining the portfolio if a sufficient number of securities transactions in the portfolio are effected by that custodian or one of its affiliates. SCS, in its discretion, or its clients also may direct brokerage for the purpose of executing a commission recapture program that can significantly reduce the brokerage commissions paid on individual security transactions. Clients may specify whether a particular broker/dealer is to be used even though SCS and the external managers may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients who may be willing to direct the use of a particular broker-dealer for

transactions should understand that such direction will prevent SCS and external managers from effectively negotiating brokerage compensation on their behalf, that best execution may not be achieved, and a disparity in commission charges may exist between the commissions charged to other clients. In this case, SCS also would not be able to aggregate orders with other clients. In directing brokerage business to brokers, those clients may lose possible advantages that other clients may have and they should consider whether the commission expenses, execution, clearance, and settlement capabilities, and (if applicable) any amount of the commissions that may be attributable to custodian fees, are comparable to those that SCS and the external managers could otherwise attain for its clients.

Aggregation of Client Orders

SCS may place orders of securities for two or more clients with broker-dealers if SCS reasonably believes an aggregated trade will achieve best execution. These "bunched" or block trades may result in lower commissions and better purchase or sale prices than if SCS placed multiple single orders. By aggregating trades, SCS may also avoid holding cash and securities involved in an aggregated trade longer than necessary and avoid receiving additional compensation that may result from single orders. In some cases, SCS' clients have directed SCS to effect transactions through a particular broker-dealer, which may limit opportunities for batching transactions in the same securities for multiple accounts.

SCS is a fiduciary that owes each of its clients a duty of loyalty. This duty requires that each client be treated fairly and that proprietary trading by SCS or its personnel not be favored over client accounts. It is SCS' policy to aggregate (or bunch) orders of two or more clients to achieve better trade execution, provided the aggregation of such orders is in the best interest of each participating client, is fair and equitable to all clients participating in the bunched trade, and favors no client over another client.

Review of Accounts

Nature of Review of Accounts

SCS's personnel (individually or as part of a group) monitor and review the performance of client accounts and the SCS funds on a continuous basis. In addition SCS evaluates each client's individual wealth management plan regularly. This evaluation involves a thorough review of the client's full financial landscape by the relationship team and senior investment professionals to determine whether modifications in the overall wealth management plan are warranted. Within the context of seeking to implement the client's wealth management plan, SCS evaluates the composition and performance of the client's investment portfolio, including client assets allocated to external investment managers and invested in public or private investment funds. In addition to statements provided by custodians, SCS provides clients with a comprehensive quarterly statement summarizing their account.

Client Referrals and Other Compensation

SCS Financial Services, LLC may enter into strategic third party marketing agreements with selected firms in order to distribute SCS products. These relationships will be a result of extensive due diligence to ensure that the distribution agreement supports the strategic direction of the firm. SCS has entered into agreements with two third party firms under which SCS pays to such firms a portion of the management and performance fees received by SCS from investors referred to SCS by such firms. These third party firms may be subject to a conflict of interest as a result of the compensation payable for such investments. SCS has established intake procedures to ensure that SCS's investment programs are appropriate for each investor and seeks to ensure that these arrangements are consistent with applicable laws and regulations.

SCS may have multiple business and non-business relationships with other industry participants including consultants, investment advisers, fund managers and broker-dealers. For example, the managers of investment funds or accounts in which SCS places its clients may themselves be clients of SCS. Similarly, individuals who are employees or principals of companies with which SCS engages in investment advisory, brokerage or other services arrangements may be, or become, clients of SCS. Although these relationships may present a conflict of interest, or the appearance of a conflict of interest, SCS does not have any express or implied quid pro quo relationship with any such industry participant.

Custody

With respect to accounts over which SCS has or is deemed to have custody of client assets, SCS directs the client's qualified custodian to send an account statement at least quarterly to clients indicating all amounts disbursed from the account (including the amount of any fees paid to SCS), all transactions occurring in the account during the period covered by the statement (amount of funds and each security), and a summary of the account positions and portfolio value at the end of the period. In order to confirm that the qualified custodian is sending such statements to each client, SCS request that a copy of each statement simultaneously be sent to SCS. In addition, SCS will include in each account statement sent directly to clients a legend urging each client to compare the statements it receives from SCS with those delivered by the qualified custodian. A client may designate an independent representative to receive account statements on its behalf. The independent representative may not (a) control, be controlled by or be under common control with SCS; or (b) have, or have had within the past two years, a material business relationship with SCS.

With respect to the SCS funds over which SCS and/or one of its affiliates is deemed to have custody, SCS requires that each such fund be subject to an audit by an independent accountant and distribute financial statements, audited in accordance with U.S. generally accepted accounting principles, to investors on an annual basis.

Investment Discretion

SCS typically enters into discretionary agreements with clients whereby SCS is granted authority to purchase and sell securities and other instruments for the client's account and also provides SCS with a limited power of attorney to select, engage and replace, if necessary, external investment managers and make investments in pooled investment funds on the clients' behalf to implement the wealth management program. In limited circumstances, SCS will serve in a non-discretionary capacity.

SCS exercises discretion over each SCS fund based on the fund's applicable investment objectives, policies and strategies disclosed in its private placement memorandum and set forth in its other governing documents.

Voting Client Securities

SCS considers proxies to be client assets and therefore should always be voted in line with the client's best interests. SCS will generally be hiring third party managers to invest the client's assets and therefore will not typically be in receipt of proxy or offering materials. However, in some cases, such as prior to the selection of a third party manager, or in the case of investment funds, SCS may be responsible for voting client proxies. In these cases the voting process will be viewed as an investment decision and therefore subject to the same responsibility that would be applied to selecting an investment for a client portfolio. Clients may obtain a copy of SCS' proxy voting policies and procedures as well as information regarding how SCS voted their securities by requesting this information in writing from their client representative at SCS Capital Management, LLC, One Winthrop Square, Boston, MA 02110.

Financial Condition of the Adviser

The information required by this item is not applicable to SCS.