

## **Form ADV Part 2A: Firm Brochure**

### **Scion Asset Management, LLC**

#### **Principal Office**

20400 Stevens Creek Blvd., Suite 840

Cupertino, CA 95014

(P) 408-441-8400

(F) 408-441-8405

[www.scionasset.com](http://www.scionasset.com)

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This brochure provides information about the qualifications and business practices of Scion Asset Management, LLC (“Scion”). If you have any questions about the contents of this brochure, please contact Zaeed Kalsheker, Chief Compliance Officer, at 408-441-8400 or email [zaeed@scionasset.com](mailto:zaeed@scionasset.com). 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 Scion is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to Scion Asset Management, LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

**Item 2: Material Changes**

This brochure contains information about Scion upon its application to register as an investment adviser with the SEC. In the future, this Item will summarize the material changes, if any, made to this brochure as part of our annual update.

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**Item 4: Advisory Business**

Scion is a limited liability company organized under the laws of the State of Delaware to provide investment management services to several related pooled investment vehicles. Formed in 2013, Scion is primarily owned and controlled by Dr. Michael J. Burry. The investment activities of Scion are led by Dr. Burry together with other investment professionals who assist in executing the investment strategy.

As of May 31, 2014, Scion managed \$176,040,099 of assets on a discretionary basis.

Scion provides discretionary investment advice to the following private investment funds (collectively, the “Funds”):

- Scion Master G7, L.P. (the “Master Fund”), a Cayman Islands exempted limited partnership;
- Scion G7, L.P. (the “Onshore Fund”), a Delaware limited partnership;
- Scion G7 Offshore, Ltd. (the “Offshore Fund”), a Cayman Islands exempted company; and
- Scion Value G7, L.P. (the “Value Fund”), a Delaware limited partnership.

The Onshore Fund and the Offshore Fund are feeder funds into the Master Fund. The Master Fund, Onshore Fund, Offshore Fund, and Value Fund are collectively referred to herein as the “Funds” or each a “Fund.” Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended; nor are the Funds registered under the Investment Company Act of 1940, as amended. Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the U.S. or in offshore transactions.

Darkwand, LLC (“Darkwand”) is the general partner (the “General Partner”) of the Onshore Fund, the Master Fund and the Value Fund. The General Partner is primarily owned and controlled by Dr. Burry.

Unless and only to the extent that the context otherwise requires, references to Scion include the General Partner.

In providing services to the Funds, among other things, Scion (i) manages the Funds’ assets in accordance with the terms of the applicable governing documents; (ii) formulates investment objectives; (iii) directs and manages the investment and reinvestment of the Funds’ assets; and (iv) provides periodic reports to investors. Scion provides investment advice directly to the Funds and not individually to a Fund’s limited partners or investors. Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s governing document.

The Funds seek long-term capital appreciation. Scion plans to pursue the Funds’ investment objectives primarily through fundamental research in pursuit of undervalued and/or misunderstood investment situations in the global theater. This fundamental research may take into account technical, macroeconomic, and other tactical approaches to the ever-changing securities marketplace. Scion may cause the Funds to take either “long” or “short” positions, as opportunities warrant. In addition, Scion may apply both long-term and short-term strategies in individual securities.

From time to time, the Funds may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority (“FINRA”) as may be amended from time to time (the “Rules”), purchase equity securities that are part of an initial public offering (sometimes referred to as “IPOs” or “new issues”). Under the Rules, brokers may not sell such securities to a private investment fund, if the fund has investors who are “Restricted Persons”, which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the fund has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to investors in the Fund that are not Restricted Persons.

## **Item 5: Fees and Compensation**

Scion’s compensation for the investment advisory services it provides to the Funds is comprised of an asset-based management fee and an incentive allocation based on the performance achieved for the account of each investor. The fees and expenses applicable to each Fund are set forth in

detail in each of the Fund's respective offering memorandums. A brief summary of fees and expenses is provided below.

### Management Fee

The Investment Management Agreement obligates the Funds to pay Scion a management fee of 1.7% per annum of the value of their investors' capital accounts or net asset value of shares. For purposes of calculating management fees, the Fund will value Designated Investments<sup>1</sup> at the lower of cost or fair market value. Scion generally deducts the asset-based fee from an investor's capital account monthly in advance.

Scion may vary the Management Fee for particular investors by separate agreement with them without notice to the other investors and may, in its discretion, reduce or waive any Management Fees at any time. It intends to waive the Management Fee for Scion and Scion's constituent members or partners, affiliates, employees, and family members of the foregoing, and does not currently expect to vary the Management Fee for any other investor.

### Incentive Allocation

Scion will be entitled to share in the appreciation in value of each investor's account balance, including profits from Designated Investments, and subject to a loss carryforward procedure. The General Partner expects that for most periods and as to most sources of profit, this will be effected through incentive allocations the Master Fund and Value Fund make to the General Partner.

Incentive allocations will generally be based on each calendar year's performance and made at each December 31. However, if an investor withdraws capital other than as of December 31, the Funds will make an incentive allocation based on year-to-date performance, in proportion to the reduction in the investor's relevant account balance caused by the withdrawal. Those incentive allocations will reduce the withdrawal proceeds payable to the withdrawing investor.

The incentive allocation will generally equal 14% of the appreciation in the investor's relevant account for the relevant period, subject to the loss carryforward procedure. However, if legislation is enacted that causes the incentive allocation to be taxed as ordinary income (i.e. so-called "carried interest" loses its capital gains treatment), the General Partner may, in its discretion, increase the incentive allocation rate to as much as 20%.

Investors may withdraw capital after an initial 12-month lock-up period has expired. However, investors are subject to an excess withdrawal fee of 7% for amounts that exceed Allowed Withdrawal Amounts, which typically are a maximum of 14 Withdrawal Units per quarter and 35 per calendar year. To facilitate the calculation of Allowed Withdrawal Amounts, upon the establishment of each investor account, the Fund divides the account's opening balance into 100 equal portions, designated "Withdrawal Units."

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<sup>1</sup> "Designated Investments" will generally be assets for which there is no public market or for which the prices reflected in market activity do not, in Scion's judgment, reflect the amount for which the Funds could dispose of them in a reasonable period. An asset may be designated as a "Designated Investment" when the asset is acquired or after the asset has been held for some time.

The Funds will bear all of their operating costs. These include, among other things: bookkeeping, accounting, tax preparing and reporting, audit, and other professional fees and expenses; brokerage and other transaction-related costs (see Item 12); legal fees (including fees paid to Scion's counsel for services for the Funds' benefit); governmental fees and taxes; custodial fees; costs of reporting to investors; costs of a Fund's governance activities; costs of compliance with regulatory or reporting requirements to which a Fund, the General Partner, Scion, or their affiliates is or becomes subject that relate to the Fund (including costs of preparing and submitting Form PF and other reports regarding the Funds); expenses related to investment research and due diligence, including costs of third party analytical services; certain travel costs; fees and expenses paid or reimbursed to the Fund Administrator; and all other reasonable expenses related to the Funds' operations or the purchase, sale or transmittal of assets, all in the General Partner's discretion. If the Funds may be responsible for some or all of a particular cost, Scion may allocate the cost among the Funds in its discretion.

## **Item 6: Performance Based Fees and Side-by-Side Management**

Scion or the General Partner, which is an affiliate of Scion, receives annual incentive-based allocations from the Funds, which are based on a percentage of the net capital appreciation of the Funds' assets. These allocations may create an incentive for Scion to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such allocations were not received.

## **Item 7: Types of Clients**

Scion provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the respective General Partner and/or Directors of each Fund and not individually to the investors. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in the respective Fund's offering documents and subscription materials. The minimum commitment for an investor is outlined in the respective Fund's governing documents, but is generally \$1.5 million for the Onshore Fund and Offshore Fund, and \$0.5m for the Value Fund. However Scion and/or the General Partner maintain discretion to accept less than the minimum investment threshold. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act, as amended, or a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act, as amended.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

*Methods of Analysis and Investment Strategies Generally*

### Investment Strategy

The Funds seek long-term capital appreciation. Scion will invest, primarily, in equity, debt, and derivative instruments globally.

Scion plans to pursue the Funds' investment objectives primarily through fundamental research in pursuit of undervalued and/or misunderstood investment situations in the global theater. This fundamental research may take into account technical, macroeconomic, and other tactical approaches to the ever-changing securities marketplace. Scion may cause the Funds to take either "long" or "short" positions, as opportunities warrant. In addition, Scion may apply both long-term and short-term strategies in individual securities.

Scion will consider and invest in opportunities of any type that Scion considers attractive in the circumstances. Scion's investment professionals have specific prior experience managing funds employing equities, special situations, bonds, derivatives, macroeconomics, and activism, and Scion may employ any one or more of these strategies.

There are no obligations on Scion to pursue any particular investment or portfolio construction technique at any particular time; there are no specific limits on the types of securities or other instruments in which the Funds may invest, the types of positions they may take, the concentration of investments by sector, industry, country, class or otherwise, the amount of leverage the Funds may employ, or the number or nature of short positions they may take. The General Partner may change the Funds' investment approach or strategy at any time, if the General Partner considers doing so to be appropriate and in the Funds' best interests.

### Methods of Analysis

Investment in individual equities based on Scion's fundamental, value-oriented analysis will often be a principal emphasis. However, at times investment theses may be based on macro trends and opportunities as much as individual value analysis. The Funds may use both traditional and proprietary analysis and techniques to identify attractive short selling opportunities, largely for securities that Scion believes are overvalued and/or facing technical factors that Scion believes ought to depress the securities' prices. The Funds are not required to engage in short selling or to use any techniques for hedging purposes.

In addition to equities, the Fund may invest and trade in any kind of instrument, including corporate debt securities, convertible securities, exchange traded funds, government securities, options, warrants, equity swaps, credit default swaps, and derivatives of other types. While not a primary focus, the Fund may invest in instruments that are subject to restrictions on resale or for which there is no ready public market.

Scion understands that profitable strategies in the first half of the 2000s were not the same strategies that were profitable in the second half of that decade. And Scion understands that this is true for most decades in modern times. Dr. Burry has been credited as an innovator in the use of certain complex investment strategies now widely employed by other funds. Such innovation may be a feature of future strategies of the Funds, even as specifics of such strategies cannot

currently be specified; Scion's strategies and techniques are continually evolving and the Fund will make investments that reflect that evolution in Scion's discretion.

The Funds' portfolios will generally consist of a mix of positions that Scion believes provide an appropriate combination of opportunities and exposures, with diversification/concentration and hedging being affected significantly by the particular types of positions and instruments as well as the investment theses underlying those positions. The Funds may employ leverage, including borrowing funds to buy securities, selling investments short, and using various derivatives strategies.

### Risk of Loss

There can be no assurance that the Funds will achieve their investment objectives. Investing in securities involves risk of loss that the Funds and their investors should be prepared to bear.

Scion does not guarantee or represent that a Fund's investment program will be successful. As with any investment, an Investor could lose some or all of his or her or its investment in a Fund. An investment in the Funds is not a complete investment program and should represent only a portion of an Investor's overall asset management strategy. Among the risks involved with an investment in the Funds are the following. This is not a complete list of the risks associated with an investment in the Funds. Please refer to each Fund's offering memorandum for a more detailed description of such risks.

**Investments in Undervalued Securities.** The Funds will invest in securities Scion believes are undervalued. Identifying investment opportunities in undervalued securities is a difficult task, and neither the Funds nor Scion can provide any assurance that Scion will succeed at it; the Funds may acquire securities that Scion considers undervalued but that in fact are not. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. In addition, the Funds may be required to hold them for a substantial period before realizing their anticipated value. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed.

**Concentration of Investments.** The Funds may at times have a relatively large portion of their capital exposed to a relatively small number of positions and/or a particular industry. Losses in one or more large positions, or a downturn in an industry in which the Funds are concentrated, could materially adversely affect a Fund's performance and could have a materially adverse effect on a Fund's overall financial condition.

**Short Selling.** The Funds may sell securities short. In a short sale, a Fund sells securities it does not own, in the expectation that the market price will decline and the Fund will be able to buy replacement securities later at a lower price, which theoretically involves the risk of unlimited loss; the price at which the Fund must buy "replacement" securities could increase without limit.

**Risks of Investing in Non-U.S. Securities.** The Funds may invest and trade in securities of non-U.S. companies or governmental entities, and in securities, commodity interests, and derivative

contracts and instruments denominated in currencies other than U.S. dollars. Such securities and other instruments can subject the Funds to risks not typically associated with investing in securities and commodity interests in the U.S., including risks due to currency fluctuations, political and economic instability, restrictions on investment and repatriation, withholding taxes, limited information about the issuer, limited liquidity and limited regulatory oversight.

**Portfolio Leverage.** If the Funds were to borrow to leverage their investments (margin borrowing), that borrowing would probably be secured by the Funds' securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Funds' obligations, and if the Funds were unable to provide additional collateral, the lender could liquidate the collateral to satisfy the Funds' obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

**Limited Liquidity of Some Investments.** Some of the Funds' investments may be relatively illiquid. An investment may be illiquid because it is thinly traded or because the Funds' position in it is large in relation to the overall market for the security. The Funds may own securities that are relatively liquid when acquired but that later become illiquid. The Funds may not be able to liquidate illiquid positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Funds' profits, or increasing its losses, in the positions. In addition, the Funds may buy securities that are not immediately saleable in the public markets.

**Derivatives.** The Funds may invest in derivative instruments. Derivative instruments involve a variety of material risks, including, in some cases, extremely high embedded leverage. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying them may not correlate with historical patterns, resulting in unexpected losses.

**Changes in Investment Strategies.** Scion has broad authority to expand, contract or otherwise change the Funds' activities without notice to, or the consent of, the Investors. It will opportunistically implement whatever strategies or discretionary approaches it believes from time to time may be best suited to prevailing market conditions. For some of these strategies, no specific "risk factors" are described in this brochure. Nevertheless, those strategies should be considered to be speculative, volatile and, in general, no less risky than other strategies more fully described in this brochure. Over time, the strategies the Funds implement can be expected to expand, evolve, and change, perhaps materially. Scion will not be required to implement any particular strategies and may discontinue employing any particular strategy, whether or not that strategy is specifically described in this brochure, and without notice to investors. Any change in strategies could expose the Funds' capital to additional risks, which may be substantial.

**Limited Liquidity.** An investment in the Funds is illiquid and is not suitable for an investor who needs liquidity. There is no public market for interests in the Funds and there are limitations on the ability to transfer such interests. Although withdrawals are permitted, they are subject to several limitations. Investors generally may not withdraw capital for a full year following the



investment, and then may withdraw such capital only at specified withdrawal dates. Investors may not withdraw capital that is attributable to Designated Investments. Further, withdrawals in excess of specified Allowed Withdrawal Amounts (no more than 14 Withdrawal Units per Withdrawal Date and 35 Withdrawal Units per calendar year) will be subject to an early withdrawal fee of 7% of the Excess Withdrawal.

**Counterparty and Custody Risk.** Financial institutions with which the Funds do business, including the Prime Brokers or counterparties that hold Fund assets as collateral, could become insolvent, which may result in the Funds not being able to recover all or a portion of their assets either permanently or for some years.

## **Item 9: Disciplinary Information**

Neither Scion nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

Scion and its employees do not have any relationships or arrangements with other financial services companies that are material to Scion's advisory business or that pose material conflicts of interest.

Darkwand, an affiliate, is the General Partner of the Onshore Fund, the Master Fund and the Value Fund. While the General Partner is not separately registered as an investment adviser with the SEC, all of its investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner, if any, are subject to the supervision and control of Scion.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

Scion has adopted a written Code of Ethics (the "Code") that is applicable to all employees. Among other things, the Code requires Scion and its employees to act in Clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Scion's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of Scion's Code is available upon request by contacting Zaeed Kalsheker at 408-441-8400.

### Participation or Interest in Client Transactions

Scion, its employees or a related entity (collectively “Related Persons”), will generally have an investment in the Funds managed by Scion. As a result, Related Persons have an interest in an investment that may also be recommended to Clients.

### Personal Trading

Employees must pre-clear certain personal securities transactions, including IPO’s and securities obtained through a private placement, before completing the transactions. Scion may deny any proposed transaction, particularly if the transaction poses a conflict of interest or if Scion is planning on transacting the same security at or about the same time in the Funds. Employees are also required to provide quarterly reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act. Employees must disclose all personal trading accounts initially upon commencement of employment and annually thereafter.

## **Item 12: Brokerage Practices**

### Selection of Brokers and Dealers

Scion has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

In selecting brokers to effect portfolio transactions for the Funds, Scion considers such factors as the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational speed and efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm’s block trading and positioning capability; the quality, comprehensiveness and frequency of related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. Accordingly, if Scion determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction.

### Soft Dollar Benefits

Section 28(e) of the Exchange Act provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain brokerage and research services (commonly referred to as a “soft dollar” arrangement). That practice involves a conflict of interest, but Section 28(e) of the Securities Exchange Act of 1934 provides that it does not breach Scion’s fiduciary duty to the Fund if the services and products consist of “research” and “brokerage” services and products and certain other conditions and requirements are met.

Scion has no formal soft dollar arrangements in place, but may acquire research from brokers, including: reports on or other information about particular companies or industries; economic

surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems, quotation services; and other products or services that may enhance Scion's investment decision-making. If Scion were to acquire "brokerage" services and products beyond "actual" execution, those might include computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing Transacting Parties, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions. If it were to acquire services or products using soft dollars, Scion could have an incentive to cause the Funds to pay higher compensation, use different brokers, and effect more transactions than it might otherwise do, possibly at the Funds' expense.

#### Investor Introductions

Scion may receive introductions to investors through broker-dealers that execute trades on behalf of Scion. Scion does not believe that it pays any additional fees or higher commissions as a result of these introductions. Scion seeks best execution on all transactions. However, Scion may have an incentive to select or use a broker-dealer based on receiving investor referrals from that counterparty.

#### Trade Aggregation

The Master Fund conducts substantially all of the investment and trading activities on behalf of the Onshore Fund and the Offshore Fund. The Value Fund is generally managed pari-passu to the Master Fund, subject to any limitations in the Value Fund's governing documents. Trades on behalf of the Funds are aggregated and then allocated between the Funds pro-rata based on the relative capital of each respective Fund.

In the event of a partial fill, allocations will be made pro-rata based on the pre-allocation determination.

#### Trade Errors

Scion seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner, as soon as practicable.

To the extent an error is caused by a third party, such as a broker, Scion will seek to recover any losses associated with the error from that third party. However, there is no guarantee that Scion will be able to do so.

Scion and its personnel will not be liable for trade errors, as long as those errors or mistakes did not constitute gross negligence or a willful violation of law. That is, the Funds, and not Scion, will be financially responsible for any losses that arise out of trade errors that did not constitute gross negligence or a willful violation of law. To the extent that any gains arise from trading errors then such gains will be retained by the Fund that benefited from such errors.

**Item 13: Review of Accounts**

The Funds' portfolios are reviewed on a continuous basis. Scion's investment personnel discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

Scion provides each investor with the following reports in accordance with the terms of the applicable Fund's offering memorandum and partnership agreement: (i) monthly account statements; (ii) annual audited financial reports; and (iii) annual tax information necessary to complete any applicable tax returns.

**Item 14: Client Referrals and Other Compensation**

Scion does not utilize any solicitors or placement agents to attract Investors. From time to time, brokers (including the Funds' prime brokers) may assist the Funds in raising additional funds from Investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of Scion may speak at conferences and programs sponsored by the brokers, for Investors interested in investing in private investment funds. Neither Scion nor the Funds compensate brokers for such assistance, events or services, or for any investments ultimately made by prospective Investors attending such events.

**Item 15: Custody**

Scion is deemed to have custody of the Funds' assets because of the authority that Scion and/or its affiliated entities have over those assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

**Item 16: Investment Discretion**

Scion generally has discretionary authority to determine, without obtaining specific consent from the Funds or their investors, the securities and the amounts to be bought or sold on behalf of the Funds. Any limitations on such authority are included in the respective Fund's Confidential Offering Memorandum and Partnership Agreement.

**Item 17: Voting Client Securities**

Scion will be responsible for voting client proxies. Scion has developed a written policy and procedures governing its activities in this area. In general, the policy requires Scion to vote proxies in the interest of maximizing the Funds' assets. There may be times, however, when refraining from voting a proxy is in the Funds' best interests, such as when Scion determines the cost of voting the proxy exceeds the expected benefit to the Funds. Scion maintains a record of all proxy votes cast on behalf of the Funds. A copy of Scion's proxy voting policies and procedures is available upon written request.

## **Item 18: Financial Information**

Scion has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.