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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of SCHF (GPE), LLC. If you have any questions about the contents of this brochure, please contact us at 650-854-3927. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about SCHF (GPE), LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure has been updated to reflect additional disclosures regarding the Co-Invest Funds (defined below).

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means SCHF (GPE), LLC, a Delaware limited liability company, together (where the context permits) with SCHF Management, L.P. (“SCHF Management”). SCHF Management is under common control with SCHF (GPE), LLC, possesses a substantial identity of personnel and/or equity owners with SCHF (GPE), LLC and provides investment recommendations for the Funds.

As of the date of this brochure, the Adviser provides investment supervisory services to, and is general partner of, investment vehicles (collectively, the “Funds”). Certain of the Funds are feeder funds (“Feeder Funds”) and master funds (“Master Funds”) in a master-feeder structure, pursuing a global multi-manager investment program, as described further in Item 8 (the “Main Funds”). The Adviser has established, and may establish in the future, Funds that are outside of the master-feeder structure which are established to pursue co-investment opportunities generated in connection with the other Funds (the “Co-Invest Funds”). The Funds are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and their securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Adviser may, in its sole and absolute discretion, in the future establish “affiliated funds” (including funds utilizing non-partnership structures such as managed accounts) from time to time to accommodate investors with special tax, regulatory, legal, or other considerations. The Funds and one or more affiliated funds may make use of “pooling vehicles” through which one or more entities or accounts may make investments in underlying portfolio funds or other assets. Such pooling vehicles may serve tax or regulatory purposes, or may be used to enhance convenience, facilitate deal closings, reduce transaction costs, etc.

A significant portion of the investment portfolios of the Main Funds consists of interests in private investment vehicles (*e.g.*, funds) or pooled accounts managed by unaffiliated third parties. The investment portfolios of the Main Funds also include assets acquired and held by the Main Funds in brokerage accounts or in separate accounts owned by the Main Funds and managed by the Adviser or by third party advisors. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments.

The Adviser provides investment supervisory services to the Funds in accordance with the limited partnership agreements of the Funds (the “Partnership Agreements”).

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Partnership Agreements. Investment restrictions for the Funds, if any, are generally established in the Partnership Agreements or offering documents of the Funds.

Responsibility for the day-to-day operations of the Funds has been delegated by the Adviser to an affiliated advisory company, SCHF Management. However, the Adviser has not delegated to SCHF Management the authority to make actual investment acquisition and disposition decisions

or to select third party managers or investment vehicles with or in whom to invest. The Adviser may replace SCHF Management from time to time in its sole and absolute discretion and may assign to SCHF Management the right to receive management fees and reimbursements otherwise payable to the Adviser by the Funds.

The principal owner of SCHF (GPE), LLC is Keith Johnson, the Chief Investment Officer of the Adviser. The Adviser has been in business since January 28, 2010. As of December 31, 2014, the Adviser manages a total of \$1,824,183,337 of client assets, all of which is managed on a discretionary basis.

The Adviser does not participate in wrap fee programs.

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds, the Adviser will be entitled to receive from the Feeder Funds advisory fees (the “Advisory Fees”), payable quarterly in advance on the first day of each calendar quarter, of the capital account balance of each investor in the Feeder Funds as of such date (after taking into account any contributions, distributions or withdrawals as of such date). A pro-rated Advisory Fee will be assessed on any capital contributions accepted as of any date other than the first day of a calendar quarter. At the annual election of the Adviser, all or a portion of the Advisory Fees may be replaced by a special priority allocation and distribution of Feeder Fund profits (consisting solely of items of long-term capital gain) to the Adviser. Pursuant to such election, the Adviser may be required to return distributions received in lieu of the Advisory Fee if the Feeder Funds fail to generate sufficient items of profit. Upon termination of a Partnership Agreement, the Adviser intends to return any Advisory Fees that have been prepaid on a prorated basis.

The Advisory Fees paid by the Feeder Funds will generally be reduced by the amount of fees paid by the Feeder Funds to persons acting as a placement agent, if any, in connection with the offer and sale of interests in the Feeder Funds to certain potential investors. Advisory Fees paid by the Feeder Funds are indirectly borne by investors in the Feeder Funds.

The precise amount of, and the manner and calculation of, the Advisory Fees for the Feeder Funds are established by the Adviser, and are set forth in the Partnership Agreements and/or other documentation received by each investor prior to investment in the Feeder Funds. The Advisory Fees are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. In addition, Advisory Fees may be reduced by the amount of certain fees, such as commitment, break-up, directors, officers, advisory and management fees, paid by an entity that is the issuer of securities held by the Feeder Funds. The fee structures described above may be modified from time to time. Fees may differ among investors in the Feeder Funds.

Each Feeder Fund will bear all expenses relating to it to the extent not borne by its portfolio funds, including, without limitation: (i) direct costs and expenses incurred in the purchase, holding, sale, or exchange of securities or other investments (whether or not ultimately consummated), including brokerage fees (for additional information regarding brokerage practices, please see Item 12 below), private placement fees, break-up fees, interest on borrowed

money, finder's fees, consultant's fees (including fees of consultants that assist with research), third-party manager fees, property or personal taxes on investments or otherwise imposed on the Feeder Fund as an entity, expenses attributable to conducting diligence on investment opportunities or managers, out-of-pocket travel expenses incurred by the Adviser in investigating, evaluating or monitoring investments or investment opportunities (up to, in any particular fiscal year, a maximum of 0.05 % of the Feeder Fund's net asset value as of the end of such fiscal year), legal fees, audit and accounting fees, other taxes applicable to the Feeder Fund on account of its operations, fees incurred in connection with maintenance of bank or custodian accounts, and expenses incurred for any registration of securities under applicable securities laws; (ii) expenses borne by the Adviser in serving as "tax matters partner" within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986, if applicable to the Feeder Fund; (iii) costs of liability and other insurance premiums; (iv) all expenses of preparing and distributing reports to the investors; (v) expenses incurred in connection with partner meetings; (vi) all legal, accounting and third-party administrator fees relating to the Feeder Fund and its activities; (vii) all costs arising out of the Feeder Fund's indemnification obligations; (viii) all expenses of holding vehicles (*e.g.*, blockers); (ix) Feeder Fund and Adviser organization and syndication costs (other than the costs of placement agent or finder's fees incurred in connection with raising capital for the Feeder Fund); (x) winding-up and liquidation expenses; (xi) costs of litigation and other extraordinary expenses; and (xii) all other expenses that are not normal operating expenses of the Adviser or SCHF Management. Each Feeder Fund will also bear its share of the expenses of the Master Funds and portfolio funds in which that Feeder Fund invests.

The Co-Invest Funds will not pay the Adviser any Advisory Fees and will bear all of their own expenses.

Item 6. Performance-Based Fees and Side-By-Side Management

Other than with respect to certain of the Co-Invest Funds, the Adviser does not currently charge the Funds a performance-based fee. To the extent the Adviser charges a performance-based fee in the future, it will be done in a manner that is consistent with the provisions set forth in the Fund documents.

The Adviser, or an affiliate of the Adviser, may charge carried interest with respect to one or more of the Co-Invest Funds. In theory, this could create a performance-based incentive for the Advisor to cause certain investment opportunities to be allocated to the Co-Invest Funds in preference to the Main Funds. However, the Co-Invest Fund documents provide that the Co-Invest Funds will only invest in an opportunity to the extent the Main Funds have satisfied their investment "appetite" with respect to such opportunity.

Certain supervised persons of the Adviser manage other funds that charge a performance-based fee; however, such supervised persons do not have authority to make investment decisions for the Funds. Please see Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds and not individually to investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Except as noted below, interests in the Feeder Funds generally are offered to persons that are (i) “accredited investors,” as defined in Regulation D under the Securities Act and (ii) “qualified purchasers” (as defined in the 1940 Act) or are otherwise qualified to invest in a “3(c)(7) fund,” and that meet other qualifications established by Adviser, and may include, among others, high net worth individuals, pension plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities. Currently, the Adviser advises one Feeder Fund that is exempt from registration in reliance on Section 3(c)(1) of the 1940 Act and whose investors are not “qualified purchasers.”

There is no minimum capital commitment for an investor in a Feeder Fund.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Investment Approach of the Feeder Funds and the Master Funds

The Adviser manages a global portfolio invested in different regions and assets by investing through what it believes are among the most thoughtful managers in the world. The Adviser believes in the benefits of shrewd asset allocation, careful manager selection, and vigilant risk management, without forgetting the need for liquidity. Taken together, these tenets form the backbone of the Adviser's approach to investing, whose objective is to produce equity-like returns with lower than average volatility. However, as with any investing, the Adviser's investment approach involves a potential for loss that investors should be prepared to bear.

The Adviser employs an approach that has its origins in the techniques of large foundations, trusts, and endowments as well as the more opportunistic and contrarian styles of leading family offices.

From the former, the Adviser's approach draws on the disciplines of asset allocation and manager selection. The Main Funds' portfolios represent judgments about the roles and relative importance of each asset class as well as their relationships to one another.

The Adviser believes strongly in the value of exceptional investment managers. The Adviser seeks managers who combine expertise, experience, and integrity with properly aligned incentives. From endowments, the Adviser also draws on the practice of regular rebalancing: selling as relative values and returns rise for a given asset class or manager, and simultaneously buying other asset classes and investments with managers that the Adviser regards as comparatively undervalued. The Adviser monitors the Main Funds' managers individually and also collectively so the Adviser can create portfolio overlays to counteract over-concentration or dependency on particular currencies or geographies. The Adviser ordinarily rebalances between asset classes over a period of months or years, and within asset classes as frequently as necessary depending on market volatility.

The Adviser also draws from the practices of successful family offices, which must respond to the differing needs, time horizons, and liquidity requirements of a varied constituency. The Adviser includes a meaningful fixed income allocation and can provide annual distributions. When the Adviser makes illiquid investments, the Adviser seeks to match their anticipated durations to liquidity elsewhere in the Main Funds' portfolios and aims to ensure that the Main Funds do not fall victim to a liquidity squeeze.

Like family offices, the Adviser incorporates an emphasis on absolute, rather than relative, returns. The Adviser will go where it believes there are exceptional opportunities, even – and perhaps especially – when others do not. The Adviser also pursues direct investments.

The Adviser will not sacrifice quality in order to be “fully invested” at all times.

The Adviser employs a number of techniques to monitor, stress-test, and manage liquidity under a variety of different potential market conditions. Among these is a liquidity ladder at the portfolio level to understand the Funds' liquidity positions over time.

Portfolio Construction

In constructing the Main Funds' portfolios, the Adviser assembles equities, debt, and real assets. Taken in different combinations, these assets form the five primary asset classes (public equity, absolute return, real assets, private equity, and fixed income) with which the Adviser works.

Public Equity

The Adviser's public equity portfolio approach is based on active management combined with passive management or indexing. Public equity investments typically include small/micro cap mandates, sector-focused investments, concentrated global or regional stock pickers, country-specific specialists, and indexed or benchmark-sensitive strategies (primarily for rebalancing purposes). Long-biased long-short managers, whose returns are generated through stock selection and who express a moderate level of market correlation, are also grouped into the public equity portfolio.

Absolute return

Absolute return encompasses the full breadth of non-correlated strategies and spans a number of disciplines. This asset class includes arbitrage, distressed debt, event-driven, fundamental credit, low-beta long-short, macroeconomic, multi-strategy, and volatility managers.

Real Assets

Real assets consist of real estate, natural resources, energy, commodity, infrastructure, and other investments in tangible assets.

Private Equity

Private equity is comprised principally of three styles of investing – buyout, growth equity, and venture capital. The Adviser seeks to invest with private equity managers who operate in niches and employ distinctive investment approaches.

Fixed Income

Fixed income investments consist of U.S. treasuries and agencies, inflation-protected securities, commercial paper, high grade corporate debt, and other structured debt instruments. The Adviser employs a mix of active and passive management in fixed income.

Risks of the Feeder Funds and the Master Funds

Investing in securities involves a substantial degree of risk. The Funds may lose all or a substantial portion of their investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

The Adviser's investment approach with respect to the Main Funds is opportunistic and does not focus on any one investment strategy. For these reasons, the following list of risks generally does not discuss specific risks or other considerations associated with specific types of investments.

General Risks Associated with Investments

The Main Funds are subject to few restrictions on the types of investments that they are permitted to make. The Main Funds' investments are expected to span a broad range of asset classes, geographies, strategies, and sectors. In addition, the Main Funds have no set dissolution dates and are expected to follow very long-term investment strategies.

Identifying and participating in attractive investment opportunities and balancing investments across multiple asset classes, geographies, strategies, and sectors over a time period that may span several decades is difficult. There is no assurance that the Main Funds' investments will be profitable. Any return on investment to the investors will depend upon successful investments made on behalf of the Main Funds by the Adviser. Many investment decisions by the Adviser will be dependent upon the ability of its members and agents to obtain relevant information from multiple sources (including nonpublic sources) and synthesize significant amounts of information relating to the wide range of permissible investments. The Adviser often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

The performance of each investment will depend upon many factors beyond the Adviser's control. For example, the Main Funds are expected to invest a significant portion of their capital in funds or other pooled investment vehicles managed by persons other than the members of the Adviser. In addition, the Main Funds may hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Portfolio funds and portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage.

Unique Investment Strategy

The Adviser's investment strategy has been developed based on the investment strategies of certain large foundations, trusts, endowments, and leading family offices with the goal of providing significant returns while mitigating risk. However, there can be no guarantee that the proposed investment strategy will be successful. If the investment strategy does not succeed as planned, it is possible that the Main Funds will have poor investment returns or that the level of risk associated with an investment in a Main Fund will be higher than anticipated.

Broadly Diversified Portfolio/Asset Allocation

The Adviser's investment strategy requires the Main Funds to invest in a variety of asset classes and to allocate capital across multiple geographies and sectors. Creating and maintaining the appropriate balance in such a broadly diversified portfolio is difficult. The over-allocation or under-allocation of the Main Funds' capital to any particular asset class, geography, or sector may reduce the Main Funds' ability to produce returns for investors. The ability of the Main Funds to successfully allocate capital across such a broadly diversified portfolio will depend, among other things, upon the ability of the members of the Adviser to: (i) understand the risks and returns of each of the potential asset classes, geographies, and sectors; and (ii) remain informed as the market landscape changes over time. Any return to the investors will also depend upon the successful implementation of the Main Funds' asset allocation strategy on an ongoing basis. There can be no guarantee that the Main Funds will be able to participate in any particular investment, and risks described in more detail below may make it difficult for the Adviser to pursue its strategy of creating broadly diversified portfolios for the Main Funds.

Reliance on Other Managers

The Adviser is expected to invest a significant portion of the Main Funds' capital in private investment vehicles (*e.g.*, funds and managed accounts) managed by third parties.

Finding, selecting, and investing in vehicles managed by such other managers is a complex process. In determining how to invest the Main Funds' capital in other private investment vehicles, the Adviser looks for managers whose investment strategies are expected to offer superior risk-adjusted returns, considering both objective information relating to such other vehicle's managers (such as historical performance data) and subjective information. However, there can be no guarantee that the Adviser's assessment of any manager will be accurate. In particular, there can be no assurance that past performance data or other objective or subjective information relating to such managers will provide any indication as to how private investment vehicles managed by such managers will perform in the future.

Even if the Adviser is able to accurately identify managers whose vehicles are likely to produce attractive returns, there can be no assurance that the Main Funds will be able to invest in such vehicles. For example, taking into account the varying fundraising cycles of vehicles managed by such managers, and the timing of the Main Funds' own closings and other investments, the Main Funds may not have available capital during any such other vehicle's "open window" period. In addition, there can be no guarantee that a Main Fund's offer to invest in any such vehicle will be accepted.

Finally, it is anticipated that many of the same risks that relate to the Adviser's management of the Main Funds (including conflicts of interest) will apply in a corresponding (or even more significant) manner to investment vehicles of third party managers.

Investment in Other Funds and Management Accounts

The Adviser and the Main Funds generally will not have any control over the management of the other funds in which the Main Funds invest, and the success of such investments generally will

depend on the ability and success of the management of such portfolio funds. It is anticipated that the Main Funds will be purely passive investors in such funds, with little or no right to vote upon or otherwise control the principal activities of such funds. In addition, the managers of such funds may be entitled to receive management fees, carried interests, and/or other forms of compensation in respect of such funds. There will generally be no reduction in the Advisory Fees payable to the Adviser with respect to the portion of the Main Funds' capital that is invested in such funds (except with respect to funds advised by an affiliate of the Adviser). In addition, certain fund investments, or portions of such investments, may rely in whole or in part on the ability of another party to make contractual payments to the fund in the future. These fund investments may suffer losses if such counterparties default on their obligations. Similar considerations likely will apply with regard to "managed accounts" and similar vehicles in which the Main Funds invest.

Changes in Environment

The Main Funds' investment program is intended to extend over a period of decades, during which the business, economic, political, regulatory, and technology environment within which the Main Funds operate is expected to undergo substantial changes, some of which may be adverse to the Main Funds.

There can be no assurance that investment strategies developed and implemented in the current market will remain appropriate as market conditions change. In addition, there is no guarantee that the Adviser will be able to keep up with developing market trends or other changes in the investment landscape. Returns to the investors will depend upon the successful evolution of the Main Funds' investment strategy to address changes in market conditions over time.

The Adviser will have the exclusive right and authority (within limitations set forth in the Partnership Agreements) to determine the manner in which the Main Funds shall respond to such changes, and investors generally will have no right to demand specific modifications to the Main Funds' operations in consequence thereof. The investment sourcing, selection, management and liquidation strategies and procedures exercised by members of the Adviser in the past may not be successful, or even practicable, during a Main Fund's term. The Adviser will have the right and authority to cause each Main Fund's investment sourcing, selection, management and liquidation strategies and procedures to change substantially over time.

Limited Liquidity

A significant portion of the Main Funds' assets is expected to be illiquid or subject to substantial limitations on liquidity. Moreover, it may be difficult or impossible for the Main Funds to raise additional capital. This overall constraint upon liquidity may, from time to time, make it difficult or impossible for the Adviser to take advantage of attractive investment opportunities. While the Adviser will seek to manage the Main Funds in a manner that causes the Main Funds to maintain adequate liquid reserves, there can be no assurance that such reserves will be sufficient under all circumstances.

Global Investment Strategy

The Adviser expects to invest the Main Funds' assets in a geographically diverse portfolio and, as a result, the Main Funds' performance will depend in part upon the financial and other health of the countries in which they invest. In particular, any adverse changes to a host country's government, laws, economy or other attributes may have a significant adverse effect on the Main Funds' performance.

Rebalancing the Portfolio

Regular rebalancing of the Main Funds' portfolios is an integral part of the Adviser's investment strategy. However, there are risks associated both with rebalancing the portfolio too often and failing to rebalance the portfolio often enough. Failure to rebalance the portfolio when one asset class' value grows significantly relative to other asset classes could result in the Main Funds' portfolios being excessively concentrated in an overvalued asset class, and therefore more vulnerable to market corrections. On the other hand, overzealous rebalancing could result in the Main Funds' disposing of investments too frequently, thereby failing to capture sufficient upside with respect to the underlying securities or incurring excessive transaction costs. In addition, the appropriate time period between one rebalancing and the next will vary depending on market conditions and other factors outside of the Adviser's control, and it will be difficult for the Adviser to determine the optimal time for each rebalancing.

Risk Management

Although managing risk is a principal element of the Adviser's overall investment strategy, the Main Funds are expected to make investments that, viewed in isolation, present very substantial risks. In other words, the Main Funds' investment strategy does not rely upon the avoidance of risky investments. Rather, the Adviser will seek to manage risk via a broad array of risk-offsetting techniques. There can be no assurance that the Adviser will be successful in avoiding excessive risk exposure in connection with the Main Funds' investments. The Adviser's ability to successfully manage risk will depend in significant part upon: (i) the ability of the members of the Adviser to accurately obtain and analyze relevant data to identify possible risks; (ii) the ability of the members of the Adviser to make appropriate adjustments to the Main Funds' asset allocations; and (iii) the availability and affordability of market vehicles to reduce risk (e.g., swaps, hedges, puts and insurance). If the Adviser is unable to identify the relevant risks or adjust the Main Funds' asset allocations to mitigate risks, or if the cost of market vehicles to reduce risk is prohibitive, the Main Funds' investment performance may suffer.

Currency Exposure

The functional currency of the Main Funds is United States dollars. However, the Main Funds are expected to invest a significant portion of their capital in assets which have a functional currency other than United States dollars. As a result, the Main Funds will bear substantial risks associated with fluctuating currency exchange rates, particularly with respect to investments in portfolio funds to the extent that the Main Funds may be required to make capital contributions to such portfolio funds over a period of years. Although the Adviser may seek to mitigate the risks associated with the Main Funds' currency exposure through hedges or other risk

management techniques, there can be no assurance that any such techniques will be attractively priced or provide adequate protection.

Non-United States Investments

The Adviser is expected to invest a significant portion of the Main Funds' assets in securities of non-United States portfolio entities. Such investments may present a variety of risks not presented by investments in United States portfolio entities, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

Even those portfolio entities that nominally are United States portfolio entities by virtue of their jurisdiction of organization or management headquarters may be exposed to significant non-United States risks.

Investment Strategy and Risks of the Co-Invest Funds

Certain of the Co-Invest Funds are expected to invest primarily in opportunities where the Funds are making a significant investment and investing for the first time. Such Co-Invest Funds may also invest in secondary or follow-on opportunities where the Funds have previously invested.

One of the Co-Invest Funds exclusively invests its assets alongside other unaffiliated and affiliated funds in an unaffiliated pooled investment vehicle whose portfolio consists of interests in real estate (the "Real Estate Co-Invest Fund").

In addition to the risk of loss and certain of the risks discussed above associated with investing in equity securities and other pooled investment vehicles, certain of the Co-Invest Funds are also subject to the following risks.

Concentration of Investments

The portfolio of a Co-Invest Fund may become concentrated in a limited number of companies, real estate interests, or other entities, increasing the vulnerability of such Co-Invest Fund's portfolio as compared with a portfolio that is more diversified. In certain cases, a Co-Invest Fund may acquire majority or greater interests in portfolio companies or other entities, which could further increase the vulnerability of the portfolio.

Limited Investment Opportunities; Relation to Other Funds of the Adviser

Certain of the Co-Invest Funds are or will be formed to invest primarily in companies, real estate interests, or other entities that have received, or will simultaneously receive, investment from one or more other Funds. As a practical matter, this means that a Co-Invest Fund often will invest only to the extent such other Funds have satisfied their investment "appetite," with the consequence that, in this regard, such Co-Invest Fund's investment interests may be considered subordinate to the investment interests of such other Funds. Even within that limited segment of investment opportunities, such Co-Invest Fund would expect to invest in less than all of the

available opportunities. As a result, it is possible that certain of the Co-Invest Funds will invest only infrequently and may call capital in a less predictable manner than is typical for venture capital or other types of private investment funds. In order to respond to such unpredictability, investors may need to maintain a greater than average portion of their capital commitments in assets that can be readily converted into cash.

Investing in a Single Issuer

The Real Estate Co-Invest Fund invests exclusively in a single issuer of securities (the “Real Estate Co-Invest Fund’s Portfolio Company”). The Real Estate Co-Invest Fund is not expected to provide any benefits of portfolio diversification. The Real Estate Co-Invest Fund’s performance likely will be determined almost exclusively by the performance of its investment in the Real Estate Co-Invest Fund’s Portfolio Company. To a very significant degree, an investment in the Real Estate Co-Invest Fund will (in essence) constitute an investment in the Real Estate Co-Invest Fund’s Portfolio Company, burdened by the costs and procedures associated with the formation, management, operation, dissolution and liquidation of the Real Estate Co-Invest Fund. The performance of the Real Estate Co-Invest Fund will be particularly susceptible to idiosyncratic risks associated with the Real Estate Co-Invest Fund’s Portfolio Company, such as the death or incapacity of a key officer, litigation, regulation, failure to capitalize on available business opportunities and other events that may negatively impact the performance of the Real Estate Co-Invest Fund’s Portfolio Company.

Co-Investing with Other Sequoia Capital Funds

The Co-Invest Funds were organized to invest alongside other Funds or in portfolio companies of other Funds. In addition, one or more other funds advised by Sequoia Capital may co-invest with the Co-Invest Funds in such investments. A fund (such as a Co-Invest Fund) that is intended to co-invest with one or more other affiliated funds presents specific investment risks. See “*Conflicts Associated with Co-Investing with Other Sequoia Capital Funds*” in Item 11, below, for more information on the risks and the conflicts associated with such co-investments.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Affiliated Advisers

The Adviser is affiliated with a number of investment advisers and general partners of private funds. Such affiliated advisers include SCGE Management, L.P., the investment manager of a hedge fund that is organized in a “master-feeder” fund structure with one “master fund” and two “feeder funds.” SCGE Management, L.P. is registered as an investment adviser with the Securities and Exchange Commission (the “SEC”).

As described above, the Adviser has delegated responsibility for the day-to-day operations of the Funds to SCHF Management. SCHF Management does not intend to register as an investment adviser with the SEC in reliance on the Adviser's registration and applicable SEC guidance.

The Adviser is also affiliated with Sequoia Capital Operations, LLC and related entities, which provide investment advice to U.S. venture capital funds, and Sequoia Capital Israel, Ltd. and related entities, which provide investment advice to Israeli venture capital funds. The Adviser's affiliated advisers also include Sequoia Capital China Advisors Limited and related entities, Sequoia Capital India Operations, LLC and related entities, and Sequoia Capital India Advisors Private Limited and related entities, which provide investment advice to private investment funds that are managed from outside the United States and are primarily focused on investments relating to China and India.

The Funds may from time to time participate in transactions alongside clients of affiliated advisers. For a description of material conflicts of interest created by the relationship among the Adviser and its affiliated advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to every director, officer or partner of the Adviser (and every other person occupying a similar status or performing similar functions); every other employee of the Adviser; and every other person i) who is subject to the Adviser's supervision and control and ii) who provides investment advice on behalf of the Adviser (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, imposition of penalties or fines, reduction of compensation, demotion, the unwinding of any applicable trade, disgorgement of trading gains, or suspending or terminating employment or any combination of the foregoing. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Knowing failure to report a violation of the Code of Ethics may result in disciplinary measure of increased severity. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request.

Participation or Interest in Client Transactions

Certain members, employees and affiliates of the Adviser may invest in and alongside the Funds, either through the Adviser, as direct investors in the Funds or otherwise. The Adviser may reduce all or a portion of the Advisory Fee related to investments in the Funds by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

In addition, because the Feeder Funds invest in the Master Funds, they may be viewed as being solicited to invest in the Master Funds.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of the Funds and other investment funds. In the ordinary course of conducting the Adviser's activities, the interests of the Funds may conflict with the interests of the Adviser or its affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- The Funds will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of the Funds;
- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- The Adviser has established a Compliance Committee consisting of the Chief Operating Officer, the Chief Investment Officer, the third Managing Director, the Vice President of Finance and the Operations Associate (the "Compliance Committee"). The Compliance Committee will assess new or potential conflicts as they arise and will be authorized to grant waivers, establish new procedures, or amend existing procedures as warranted;
- Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts;
- Under the Partnership Agreements, certain transactions that involve conflicts of interest between the Adviser and the Funds may be submitted to the Boards of Directors of the Funds (the "Board of Directors") for resolution. However, the Board of Directors will not necessarily represent the interests of all the investors and the members of the Board of Directors may themselves be subject to various conflicts of interest (including as investors in, or managers of, other entities related to members of the Adviser);
- Prior to subscribing for interests in the Funds, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Funds; and
- The Adviser and certain of its affiliates have adopted written policies and procedures establishing information barriers. The purpose of these policies is to prevent the misuse of material, non-public information, as to institutional trades made on behalf of the Adviser's and affiliates' investors as well as personal trades made on behalf of the Adviser's and its affiliates' personnel for their own personal accounts.

The "*Conflicts*" section immediately below describes additional mitigating factors for specific potential conflicts.

Conflicts

The material conflicts of interest encountered by the Funds include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by the Funds. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Conflicts with Respect to Affiliates of the Adviser and Investing in Other Sequoia Products

Certain Funds may have a right of first refusal to subscribe for up to 10% of the limited partner interests issued to third parties by each new Sequoia Capital venture, growth and other private equity funds (“Other Sequoia Products”) during the 10 year period following such Fund’s initial closing as described in the applicable Funds’ offering documents.¹ If the Funds make such an investment, investors in the Funds will indirectly bear the expenses and fees associated with the investment in the Other Sequoia Product, some of which fees and expenses will be paid to affiliates of the Adviser. To mitigate this potential conflict of interests, (i) the Adviser will not receive management fees in respect to the Funds’ investments in Other Sequoia Products and (ii) no Fund will exercise its rights under the right of first refusal to the extent that its aggregate capital commitments to Other Sequoia Products would exceed 10% of the Fund’s net asset value (including capital commitments not yet satisfied) immediately following such exercise, except with the approval of the Board of Directors. See also “*Conflicts with Respect to Sequoia Principals and Investing in Other Sequoia Funds*,” below.

Conflicts with Respect to Sequoia Principals and Investing in Other Sequoia Funds

Principals of Sequoia Capital (the “Sequoia Principals”) have committed greater than \$300 million to the Funds and certain of the Sequoia Principals serve on the Board of Directors. The Funds have invested and it is expected that in the future the Funds will invest in one or more Sequoia Capital funds in which the Sequoia Principals hold direct or indirect management/economic interests (such entities, the “Other Sequoia Funds”). The Sequoia Principals generally will be entitled to receive direct or indirect management fees and carried interests in respect of such Other Sequoia Funds. However, the Sequoia Principals that have invested in the Funds will not participate in any of the Funds’ investments in the Other Sequoia Funds. The limited partners of the Funds generally have no right to object to any investment by the Funds in any Other Sequoia Fund, or to the fact that management fees and carried interest may be received in respect of an Other Sequoia Fund by one or more of the Sequoia Principals that are themselves limited partners and/or members of the Board of Directors. Without limitation on the foregoing, the Funds may compete with Other Sequoia Funds for investment opportunities, capital, professional services or otherwise.

¹ The Adviser is associated with various venture capital, growth, equity, and hedge funds and other investment-related entities, and various entities that serve as the constituent general partner or managing member of one or more funds (see Item 10 for more information). Although such other entities are separate and distinct, they are collectively referred to herein as “Sequoia Capital” or “Sequoia.”

Conflicts with Respect to Investment Opportunities

In connection with their investment activities, the Adviser and the managing members of the Adviser (the “Managing Members”) may encounter situations in which they must determine how to allocate investment opportunities between the Funds and other persons.

In general, investments applicable to all Feeder Funds are allocated pro rata among the Feeder Funds. However, as different Feeder Funds are designed to accept different kinds of investors and to make different kinds of investments, in certain circumstances investments may not always be allocated pro rata among them. In no event will the Adviser be obligated to ensure strictly parallel investment activities among all of the Funds, nor will the Adviser be required to ensure that any particular Fund strictly complies with a particular investment approach in all cases.

In addition, the Managing Members will comply with an “MM Personal Investment Policy” adopted by the Adviser with respect to the Master Funds and the Feeder Funds, subject to waiver by the Board of Directors. Under such Policy, the Managing Members will offer to the Master Funds and the Feeder Funds all investment opportunities of at least \$1 million that are consistent with the investment objectives of such Funds. However, each Managing Member will be permitted to make personal investments without limitation in: (i) certain passive investments; (ii) Sequoia Capital entities other than such Funds (including other Sequoia products); (iii) follow-on opportunities in issuers, other than issuers of publicly traded securities, of pre-existing personal investments; (iv) “Principals Funds” established to allow persons related to the Adviser to co-invest with such Funds; and (v) any security in respect of which such Managing Member cannot reasonably be expected to benefit from an investment in the issuer (or disposition thereof) by such Funds and in respect of which such Managing Member and such Funds cannot reasonably be deemed competitors for the opportunity to invest in such security (such as an investment in a large publicly traded company in respect of which such Managing Member would hold an interest that is not material relative to the total outstanding interests of such company).

A Principals Fund would be required to participate in every investment made by the Master Funds and the Feeder Funds (other than investments by such Funds in other Sequoia products), and would not take a larger share of any investment than is determined by the ratio of the total assets under management of such Principals Fund to the total assets under management of such Principals Fund and such Funds. The governing agreement of the Principals Fund might not provide for management fees or similar types of compensation to the Adviser. Except for amounts committed by Managing Members, the Principals Funds would not accept aggregate capital commitments of more than \$1 million from any specific investor.

Investments will only be made available to the Co-Invest Funds to the extent the Main Funds have satisfied their investment “appetite” with respect to such investment opportunities.

Conflicts with Respect to Affiliated Funds

The Adviser may, in its sole and absolute discretion, establish additional “Affiliated Funds” (including limited partnerships, other collective investment vehicles, and managed accounts) from time to time to accommodate investors with special tax, regulatory, legal, or other considerations.

Any Affiliated Fund would be designed to address the needs/goals of its target investors. Consequently, the Affiliated Funds may have somewhat different investment portfolios than the Funds and their governing agreements may have somewhat different terms than the Partnership Agreements. These factors may give rise to conflicts of interest among the Funds and the Affiliated Funds from time to time. The Adviser will address these conflicts of interest in such manner as it determines to be fair and appropriate, in its sole and absolute discretion. However, to reduce the conflicts of interest faced by the Adviser in this regard, no governing agreement of any Affiliated Fund will provide for materially greater compensation to the Adviser than the Partnership Agreements provide in respect of the Funds, as determined by the Board of Directors in its sole and absolute discretion; provided, that this sentence will not apply to: (x) any compensation charged to the investors of any Affiliated Fund whose principal purpose is to hold an interest in a Fund (i.e., a “feeder fund”); or (y) any compensation arrangement in respect of which the Adviser or an affiliate thereof receives both a “management fee” that is at least one basis point lower than a Fund’s management fee (on an annual basis) and an interest in the profits of such Affiliated Fund (i.e., a “performance allocation”) but only if each Fund investor is offered the opportunity to have its interest in a Fund governed by an equivalent compensation arrangement.

Conflicts with Respect to One Sequoia

Certain members of the Adviser currently (or will in the future) participate in “One Sequoia.” One Sequoia is a multi-entity program generally designed to promote collaboration among managers of various funds within the Sequoia Capital family of entities through economic incentives (including, without limitation, the sharing of management fees/carried interest). The One Sequoia program may benefit a Fund by incentivizing other fund managers within the Sequoia Capital family to share investment insights or opportunities with the Fund or to otherwise act for the Fund’s benefit, but there can be no assurance that the Fund will actually receive any such benefits. Correspondingly, the One Sequoia program will incentivize participating members of the Adviser to act for the benefit of other funds within the Sequoia Capital family, possibly to the detriment of the Funds (e.g., by sharing an otherwise limited investment opportunity). On balance, the Adviser believes that the One Sequoia program is likely to result in net benefit to the Funds, but there can be no assurance of such net benefit and it is possible that behaviors incentivized by the One Sequoia program will yield a net detriment to the Funds.

Notwithstanding the foregoing, Sequoia Capital is not a unitary enterprise, but rather is a collection of related individuals and entities partially bound together by overlapping interests, activities and branding. Investors should look only to the actual members of the Adviser for the management of the Funds. Other individuals and entities that are part of Sequoia Capital generally will have no authority to participate in the management of the Funds and no obligation

to provide the Funds with any specific benefits. Moreover, such individuals and entities may be legally prohibited from providing certain types of benefits to the Funds and often will have duties and interests that conflict with those of the Funds. Accordingly, while it is anticipated that the Funds will derive some degree of benefit from being part of the Sequoia Capital family of entities, investors are cautioned against relying on any specific benefits and should not assume that any such benefits as do arise will have a material impact upon the Funds' performance.

Conflicts Associated with Investments in Other Sequoia Capital Funds

Investors may participate, indirectly through the Funds, in other Sequoia Capital investment funds. Each of these Sequoia Capital investment funds present and will present its own risks and special considerations. In general, the assessment and evaluation of such risks and considerations on behalf of each Fund is the responsibility solely of the Adviser. In this regard, the Adviser is subject to a variety of conflicts of interest. For example, through the One Sequoia program, members of the Adviser may receive carried interest in respect of other Sequoia Capital funds in which the Funds invest.

Conflicts Associated with Co-Investing with Other Sequoia Capital Funds

The portfolio companies of a Co-Invest Fund may be companies in which another Fund has an indirect pre-existing interest, and such Co-Invest Fund may co-invest in such portfolio companies with such Fund (and possibly, other funds advised by Sequoia Capital), creating a variety of inherent conflicts of interest for the Adviser and its affiliates.

As a result of the Adviser serving as both the general partner of the Funds and the Co-Invest Funds, members of the Adviser will be subject to a variety of conflicts of interest arising from their indirect duties to, and pecuniary interests in, the Co-Invest Funds and other Funds. For example, members of the Adviser may have a financial incentive to support the interests of other Funds by causing a Co-Invest Fund to invest in a portfolio company on terms less favorable to such Co-Invest Fund than such Co-Invest Fund might otherwise obtain or by causing such Co-Invest Fund to exercise its rights as a holder of securities of a portfolio company of such Co-Invest Fund in a manner that minimizes harm to the other Funds. In particular, members of the Adviser may be incentivized to cause a Co-Invest Fund to provide capital to a portfolio company of such Co-Invest Fund in order to maximize the likelihood that such portfolio company will survive, and thereby return all or a portion of the other Funds' investment, even though such Co-Invest Fund invests or manages its investment on unattractive terms. In any such case, the profitability of a Co-Invest Fund's investment may be substantially reduced. The Co-Invest Funds will generally seek to identify and disclose conflicts of interest to investors, to the extent such conflicts can be reasonably identified, in connection with the offering of interests in the Co-Invest Funds.

Conflicts with Respect to Interests of the Investors

The investors are expected to have widely differing interests on a variety of tax, regulatory, business, investment profile and other issues. This may, in turn, give rise to a number of risks that the investors as a group will not act in a manner consistent with the best interests of the investors as a group or the best interests of the Funds themselves. For example, an investor may

decline to provide its consent to a proposed action by a Fund or the Adviser due to goals or incentives that are unique to such investor and in conflict with the interests of the Fund or other investors. Furthermore, conflicts of interest among the investors likely will make it impracticable for the Adviser to manage the affairs of the Funds in a manner that is viewed as optimal by all investors, and the Adviser will be under no obligation to do so.

Conflicts with Respect to Cross Transactions

Cross trades occur when the Adviser or an investment advisory affiliate transfers securities from one client account to another in exchange for cash without the use of an unaffiliated broker-dealer to facilitate the transaction. The Adviser may engage in cross trades with respect to the Funds to the extent permitted in the Funds' organizational documents and disclosed to the Funds' investors. Otherwise, the Adviser does not permit cross trades with respect to the Funds.

An agency cross transaction is a transaction in which an affiliate of the Adviser acts as agent for both the buyer and the seller in a securities transaction and receives a commission from both parties. The Adviser does not permit agency cross transactions with respect to the Funds.

Conflicts with Respect to Principal Transactions

A principal transaction is a transaction in which the Adviser or an affiliate purchases into or sells from its own account. A transaction with any account controlled by an Adviser affiliate would be considered a principal transaction. Principal trades directly between the Funds, on the one hand, and the Adviser and/or its affiliates (including other affiliated funds and Sequoia Capital), on the other hand, are, as a matter of the Adviser's policy, prohibited absent prior consent from the applicable Fund.

Conflicts with Respect to Affiliated Service Providers

The Adviser generally may, in its discretion, contract with any related person of the Adviser to perform services for the Adviser in connection with its provision of services to the Funds. Responsibility for the day-to-day operations of the Funds has been delegated by the Adviser to an affiliated advisory company, SCHF Management. When engaging an affiliated person to provide services to the Funds, such as engaging SCHF Management to be responsible for the day-to-day operations of the Funds, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Conflicts with Respect to Side Letter Agreements

The Adviser may, in its sole discretion, enter into one or more side letters or other agreements with certain investors in the Funds that provide such investors with more favorable economic or non-economic terms than apply to other investors. Copies of all such side letters generally are provided to investors in the Funds upon request.

Conflicts with Respect to Legal Counsel

Legal counsel to the Funds will represent the interests solely of the Adviser and the Funds and will not represent the interests of any investor. Moreover, under the Partnership Agreements, each investor will be required to waive any actual or potential conflicts of interest between such investor and legal counsel to the Funds.

Other Potential Conflicts

The Funds will be subject to various other potential conflicts of interest. For example, as discussed above, under certain circumstances, members or affiliates of the Adviser may make investments separate and apart from, or alongside with, the Funds. The Adviser and its members are permitted to manage other investment funds and similar vehicles during the Funds' terms, any of which may compete with the Funds for investment opportunities, management time and attention, or otherwise. Under certain circumstances, the Funds may invest in companies in which members of the Adviser have a pre-existing interest. Provisions contained within the Partnership Agreements that authorize the Adviser or its members to engage in investment, management or other activities outside, or alongside with, the Funds, or to cause the Funds to make investments in respect of which members of the Adviser have conflicting interests, will override common law and statutory fiduciary duties that would apply in the absence of such provisions.

The Partnership Agreements contain certain protections for the Funds' investors against conflicts of interest faced by the Adviser and its members, but do not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for the Funds' investors to subject the behavior of the Adviser and its members to close scrutiny.

Under the Partnership Agreements, certain transactions that involve conflicts of interest between the Adviser and the Funds may be submitted to the Board of Directors for resolution. However, the Board of Directors does not necessarily represent the interests of all of the Funds' investors and the members of the Board of Directors may themselves be subject to various conflicts of interest (including as investors in, or managers of, other entities related to members of the Adviser). In general, the Funds' investors are not entitled to control the selection of members of the Board of Directors or to review the actions or deliberations of the Board of Directors.

Please see the discussion above under the sub-heading "*Resolution of Conflicts*" for further description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest between the Funds and other persons.

Item 12. Brokerage Practices

Brokerage Policy and Procedures

The Adviser expects the Funds to trade directly in securities only in relatively limited circumstances (for example, in connection with risk management portfolio overlays described in Fund offering documents). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

The Adviser strives to execute securities transactions for the Funds in such a manner that the Funds' net cost or proceeds in each transaction is the most favorable under the circumstances. The Adviser's best execution policy applies to all transactions in all instruments.

Selection of Brokers and Dealers

As an adviser, the Adviser is obligated to seek to obtain best execution for the Funds. Best execution generally means lowest transaction cost (lowest commission) for brokerage services rendered combined with best market price in order to minimize total purchase cost or maximize total sales proceeds. Other brokerage and trading services may also be considered in analyzing execution practices, including but not limited to confidentiality, promptness of execution, clearance and settlement, order positioning, and financial stability.

In selecting a counterparty and market through which to effect a trade, and in determining whether a transaction represents the best execution, the Adviser considers a range of quantitative and qualitative factors, including but not limited to the following: size and type of transaction; access to liquidity; execution efficiency; capital utilization; clearance and settlement capabilities; reasonableness of commission rate or spread; financial responsibility; characteristics of the market(s) in which the security may be traded; nature of post-trade settlement, custody and foreign exchange structures; and aggregation of trades.

Research and Other Soft Dollar Benefits

The Adviser may execute portfolio transactions with broker-dealers that, in connection with the execution of such transactions, provide brokerage or research services, consistent with Section 28(e) of the Securities Exchange Act of 1934, as amended.

The Adviser may receive soft dollar benefits in the form of proprietary research or third party research services. Proprietary research is generally part of a "bundle" of brokerage and research in which the research is not separately priced. In the case of third party research, the cost of products and services can be more transparent because payment is made by the broker to the preparer in "hard dollars."

The Adviser may receive soft dollar benefits in the form of superior or enhanced brokerage services (including clearance, settlement and custody services). The Adviser may also receive soft dollar benefits in the form of brokerage services that are incidental to effecting securities transactions on behalf of client accounts, or required in connection with those transactions by applicable SEC or self regulatory organization ("SRO") rules, such as post trade services, communication services and trading software confirmation services and clearance and settlement products. In order to be eligible, the brokerage services must relate to the execution of securities transactions between the time the Adviser communicates with a broker dealer for the purpose of transmitting an order and the conclusion of the clearance and settlement process for the transaction, *i.e.*, when funds or securities are delivered or credited to the advised account or the account holder's agent.

Any such brokerage or research service may be broadly useful and of value to the Adviser in rendering investment advice to all or a significant portion of the Funds, or may be relevant and useful for the management of one or only a few Funds' accounts, regardless of whether such

account or accounts paid commissions to the broker-dealer through which the brokerage or research service was provided.

The Adviser believes that valuable brokerage and research services can be provided to the Funds by brokerage firms effecting transactions for the Funds. Accordingly, the Adviser does not intend to seek lower brokerage commissions to the extent that doing so might detract from the provision of such brokerage and research services. When the Adviser uses brokerage commissions to obtain research or other products or services, the Adviser receives a benefit because the Adviser does not have to produce or pay for such research, products or services. The Adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than in the Adviser's clients interest in receiving most favorable execution.

Aggregation of Trades

The Adviser may determine that aggregating and allocating trade orders for execution may be advantageous in reducing transaction costs and avoiding inequities that can arise when placing orders for publicly traded securities independently. The Adviser will avoid favoring any interest over another. For example, multiple Funds may participate in an aggregated order at the average share price to avoid price inequities that may arise from entering the orders independently. All such Funds share in the execution costs of an aggregated order pro rata based on participation. All Funds included in an aggregated transaction generally participate on the basis of some standard criteria, such as "pro rata" or "per capita."

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The Adviser generally oversees the Funds, though responsibility for the day-to-day operations of the Funds has been delegated by the Adviser to SCHF Management. The portfolio investments of the Funds are primarily reviewed by a team of investment professionals, which currently includes Keith Johnson, co-founder and Chief Investment Officer; Mark Oei, co-founder and Managing Director; and Irwin Gross, co-founder and Managing Director.

Reporting

Investors in the Funds typically receive, among other things, copies of audited financial statements of the Funds within 180 days of the fiscal year end of the Funds. SCHF Management and the Adviser may from time to time, in their sole discretion, provide additional information relating to the Funds to one or more investors in the Funds as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser, or members of the Adviser, by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

Item 15. Custody

Item 15 is not applicable to the Adviser, as the Funds' "qualified custodian" is not required to send account statements directly to the Adviser's clients under the custody rule.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Partnership Agreements. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of each Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds. Whenever voting proxies for a Fund, the Adviser will do so in a manner consistent with the best interests of the Fund. In light of the fact that the Funds' principal investments are interests in other privately-offered investment funds, and not publicly-traded securities or securities of other operating companies, and that the investment advisers to such underlying funds will generally vote any proxies received by such funds in their own discretion, the Adviser expects that it will vote proxies on behalf of the Funds infrequently.

The act of managing assets of the Funds may include the voting of proxies related to such managed assets. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the Adviser, the Adviser has the fiduciary obligation to (a) vote in a manner that is in the best interests of the applicable Fund, and (b) properly deal with potential conflicts of interest arising from proxy proposals being voted upon.

The Adviser will vote proxies related to securities held by a Fund to the extent and in a manner that in its reasonable judgment is in the best interest of such Fund. The Adviser will consider only those factors that relate to a Fund's investment or that are dictated by a Fund's written instructions, including how its vote will economically impact (short-term and long-term) and otherwise affect the value of a Fund's investment (keeping in mind that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the applicable Fund).

Where a Fund directly holds voting securities of an operating company, the Adviser generally expects to vote in accordance with the recommendations of company management, as the Adviser believes management usually is better informed about the company than passive shareholders. However, the Adviser realizes that there are many complexities to proxy votes, and the Adviser will vote against a proposal or recommendation of management if the Adviser determines that such a vote is in the best interests of the applicable Fund. Generally, proxy votes will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders

and management; increase shareholder value; maintain or increase shareholder influence over the issuer's board of directors and management; maintain or enhance the independence of the board of directors; and maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect of those items listed above, particularly where the Adviser believes that a proposal will have a dilutive effect on the value of the underlying security. In voting proxies, the Adviser and its employees will vote (or not vote) in a prudent and timely fashion and only after evaluating the issue(s) presented on the ballot. These voting guidelines are just that – guidelines. The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when the Adviser may not vote at all on a presented proposal or may not vote in strict adherence to these guidelines.

In exercising its voting discretion, the Adviser and its employees will avoid any direct or indirect conflict of interest raised by such voting decision.

A Fund generally cannot direct the Adviser's vote.

Copies of relevant proxy logs, identifying how proxies were voted in connection with the Funds and copies of proxy voting policies are available to any client or prospective client upon written request.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.