

SIGHTWAY CAPITAL, LP

July 25, 2018

This brochure provides information about the qualifications and business practices of Sightway Capital, LP (the “Adviser”). If you have any questions about the contents of this brochure, please contact the Adviser at (646) 392-7557. 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 the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

The Adviser is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Important Note about this Brochure

This brochure is not:

- An offer or agreement to provide advisory services to any person;
- An offer to sell interests (or a solicitation of an offer to purchase interests) in any fund; or
- A complete discussion of the features, risks or conflicts associated with any fund or advisory service.

As required by the Advisers Act, the Adviser provides this brochure to current and prospective clients and may also, in its discretion, provide this brochure to current or prospective investors in a fund, together with other relevant offering documents, such as a fund's offering memorandum, prior to, or in connection with, such persons' investment in such a fund. The delivery of this brochure to an investor or prospective investor in a fund is not an acknowledgement that the investor or prospective investor is a client under the Advisers Act or that there is any direct client relationship with the Adviser.

Additionally, this brochure is available through the SEC's Investment Adviser Public Disclosure website. Although this publicly available brochure describes investment advisory services and products of the Adviser, persons who receive this brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this brochure may differ from information provided in relevant offering documents. More complete information about each product managed by the Adviser is included in relevant offering documents, certain of which may be provided to current and eligible prospective investors only by the Adviser. To the extent that there is any apparent conflict between discussions herein and similar or related discussions in any offering documents, the relevant offering documents shall govern and control.

Item 2. Material Changes

The Adviser is launching a securitized asset fund that issues collateralized fund obligations. The securitized asset fund represents a new strategy for the Adviser and a material change to its advisory business. As a result, both material and non-material changes have been made throughout the Brochure to update it for matters pertinent to the new fund.

Please note that at present the Adviser advises only one fund client, Two Sigma Private Investments Fund, LLC.

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Item 4. Advisory Business

This Brochure has been prepared based on the way the Adviser expects to conduct its investment advisory operations once it fully commences such operations—i.e., once it launches the new securitized asset fund. At present, the Adviser advises only one fund client, Two Sigma Private Investments Fund, LLC. It expects to launch a new securitized asset fund, SWC Funding, LLC, imminently.

The Adviser, a Delaware limited partnership, provides investment advisory services to investment funds (each, a “Fund” and together the “Funds”) privately offered to qualified investors in the United States and elsewhere. The Adviser commenced operations in January 2017. Two Sigma Management, LLC is the general partner of the Adviser. The Adviser and its affiliated entities (described in more detail under “Item 10. Other Financial Industry Activities and Affiliations”) are referred to herein collectively as “Sightway Affiliates.”

The Funds include:

- Two Sigma Private Investments Fund, LLC (the “Investment Fund”) and
- SWC Funding LLC (the “Securitized Asset Fund”), which is expected to launch imminently, and its wholly-owned subsidiary, SWC Holdings LLC (“Holdings”).

The managing member of the Investment Fund is Two Sigma Private Investments, LLC (the “TSPI Managing Member”) and the sole member of the Securitized Asset Fund is the Investment Fund (in such capacity, the “SWC Member”). The Securitized Asset Fund is managed by a board of three or more directors as designated by the SWC Member. As pertinent in the context, the Adviser, the TSPI Managing Member and the SWC Member may be singularly or in any combination referred to herein as “Sightway.” The TSPI Managing Member is considered an investment adviser registered with the SEC and is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the TSPI Managing Member, which operates as a single advisory business together with the Adviser.

As of March 31, 2018, the Adviser has regulatory assets under management of \$1,328,163,398 that it generally manages on a discretionary basis, although certain investments on behalf of Holdings require approval.

John A. Overdeck, David M. Siegel and trusts established by them, and for certain of which they serve as trustees, are the principal owners of the Adviser.

The Investment Fund

The Investment Fund focuses on private equity-style investments, including through negotiated transactions in operating entities (generally referred to herein as “portfolio companies”), investments in private investment funds managed by unaffiliated third-party managers (“Third-Party Managers”), and investments in private investment vehicles managed by the Adviser’s affiliates. All of the investors in the Investment Fund are, directly or indirectly,

current or former partners or employees of the Adviser and its affiliates or their estate planning vehicles (or other similar investors). The Investment Fund generally seeks to achieve U.S. dollar-denominated returns by building a portfolio of investments, with a focus on diversification from and low correlation with other private investment funds managed by the Adviser's affiliates (the "Other Managed Funds"). The Investment Fund engages in transactions to partner with third-party management teams in order to form new businesses, in addition to other diversifying investments. Additionally, the Investment Fund invests in certain venture capital investments and investment vehicles, including certain private investment funds – Two Sigma Ventures I, LLC and Two Sigma Ventures II, LLC (the "TSV Funds") – that are managed by an affiliate of the Adviser. The Adviser's investment advisory services to the Investment Fund consist of identifying and evaluating such management teams and investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are predominantly made in non-public companies, investments in public companies or traded strategies are permitted. From time to time, personnel of the Adviser or its affiliates serve on portfolio companies' boards of directors or otherwise act to influence control over management of portfolio companies in which the Investment Fund has invested.

The Adviser's advisory services to the Investment Fund are detailed in the applicable private placement memoranda or other offering documents (each, a "Memorandum"), investment management agreements, limited liability company or other operating agreements or governing documents (each, a "Fund Agreement") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." In performing investment advisory services for the Investment Fund, the Adviser relies on its affiliate, Two Sigma Investments, LP, a Delaware limited partnership ("TSI") to provide advisory personnel and certain services. The services of TSI are described in more detail in "Item 8. Reliance on TSI." Investors in the Investment Fund participate in the overall investment program for the Investment Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Fund Agreement.

Additionally, from time to time and as permitted by the pertinent Fund Agreement, the Adviser expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, the Adviser's personnel and/or certain other persons associated with the Adviser and/or its affiliates (*e.g.*, a vehicle formed by the Adviser's principals to co-invest alongside the Investment Fund's transactions). Such co-investments will typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Investment Fund. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment after the Investment Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle, and to seek reimbursement to the Investment Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Investment Fund.

Please see “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss” and “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading” for additional information, including conflicts of interest.

The Securitized Asset Fund (described as it will operate upon launch)

The Securitized Asset Fund issues collateralized fund obligations (the “Notes”). The Investment Fund holds the equity interests in the Securitized Asset Fund, and third-party noteholders (the “Noteholders”) own the Notes. The Notes are issued pursuant to an indenture (the “Indenture”) between the Securitized Asset Fund and Wells Fargo Bank, National Association as trustee (the “Trustee”) and are secured by (i) the Securitized Asset Fund’s limited liability interests in Holdings, its wholly-owned subsidiary, (ii) certain bank accounts of the Securitized Asset Fund and (iii) the proceeds of distributions that the Securitized Asset Fund receives from Holdings’ interests.

Holdings owns a portfolio of investments in pooled investment vehicles (the “Fund Investments”) managed by third-party managers (each, a “Fund Manager”). Holdings acquired all such Fund Investments from the Investment Fund. Holdings may acquire additional Fund Investments from, or sell Fund Investments to, the Investment Fund in the future. In connection with the anticipated subsequent transfers of assets from the Investment Fund to Holdings that could reasonably be deemed “principal transactions,” the board of the Securitized Assets Fund will establish an independent conflicts advisory board (the “Conflicts Advisory Board”) that is responsible for reviewing and consenting on behalf of the Securitized Assets Fund to these transactions in accordance with the Advisers Act Section 206(3) requirements. Holdings may also sell Fund Investments to the Investment Fund pursuant to and subject to the limitations contained in the pertinent investment management agreement. To the extent such dispositions could reasonably be deemed “principal transactions,” they will be submitted to the Conflicts Advisory Board for approval.

The Adviser manages the Fund Investments and performs various other management services with respect to Holdings, including the selection of subsequent Fund Investments. The assets of the Securitized Asset Fund will primarily consist of interests in Holdings, and the assets of Holdings will primarily consist of the Fund Investments. From time to time, however, the Securitized Asset Fund expects to invest in certain eligible investments as further specified in the Indenture for cash management purposes. Holdings will depend on the Investment Fund for the satisfaction of Securitized Asset Fund capital calls.

The ability of the Securitized Asset Fund to make payments on the Notes is highly dependent on the performance of the Fund Investments. The funds in which Holdings owns or will acquire an interest employ a number of different strategies in their investments. Please see “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss” ” and “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading” for additional information, including conflicts of interest.

Further details regarding the Adviser’s advisory services to the Securitized Asset Fund and Holdings are detailed in the offering circular for the Notes.

Item 5. Fees & Compensation

The Investment Fund

Asset-Based Compensation

The Adviser does not receive asset-based compensation with respect to the Investment Fund.

Performance-Based Compensation

The Adviser (or a related person of the Adviser) is entitled to receive an incentive allocation (the “Incentive Allocation”) from the Investment Fund in an amount equal to 10% of the net profits, if any, allocated to each investor in the Investment Fund for each fiscal quarter or year, as applicable (and in certain cases, greater amounts depending on the Investment Fund’s performance); provided that the Investment Fund may have Incentive Allocations taken more or less frequently. Such Incentive Allocations may be subject to adjustment for any previously unrecovered net losses allocated to each investor in prior periods, subject to certain other adjustments and provisions. The Adviser is permitted to exempt certain investors in the Investment Fund from payment of all or a portion of the Incentive Allocation. Any such exemption may be made by a direct exemption or a rebate by the Adviser and/or its affiliates, or through other funds which co-invest with the Investment Fund. Principals or other current or former employees of Sightway will generally receive a portion of the Incentive Allocation or other compensation received by the Adviser or its affiliates.

Other Fees and Expenses

The Investment Fund bears certain expenses in addition to the Incentive Allocation payable to the Adviser. As set forth more fully in the pertinent Memorandum and Fund Agreement, at the sole discretion of Sightway, the Investment Fund bears all expenses relating to the Investment Fund’s activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce transaction fees, including without limitation, legal, custodial, banking and accounting expenses (including expenses associated with the preparation of the Investment Fund’s financial statements, tax returns and Schedule K-1s or other required filings), investment-related expenses (including the evaluation, acquisition, holding and disposition thereof, expenses relating to transactions that fail to close and travel and entertainment expenses incurred in connection with potential investments and in connection with monitoring portfolio investments), expenses related to organizing and operating persons through or in which investments may be made, appraisal expenses, the Investment Fund’s allocated share of personnel who are employed by any affiliates of the Investment Fund and provide services to the Investment Fund, expenses incurred in connection with the offering of interests, premiums for insurance protecting the Investment Fund and any covered persons from liabilities to third persons in connection with Investment Fund affairs, extraordinary expenses, taxes and other governmental charges, fees and duties payable by the Investment Fund, damages, costs of reporting to investors, costs of winding up and liquidating the Investment Fund, costs and expenses related to any filing, notification or other regulatory requirements or obligations applicable to the Investment Fund and/or, to the extent related to the

Investment Fund, Sightway and its affiliates and other similar expenses. The Investment Fund also bears expenses indirectly to the extent a portfolio company pays expenses, including expenses of the Adviser and/or its affiliates. Where applicable, the Investment Fund also pays its *pro rata* share of the expenses of the underlying investment vehicles in which it directly or indirectly invests.

To the extent the Investment Fund invests in the TSV Funds or other investment vehicles managed by the Adviser's affiliates, the Investment Fund will bear its *pro rata* share of the administrative, operating and other expenses of the applicable TSV Fund or such other vehicles. The applicable affiliate of the Adviser may charge (i) a fixed asset-based fee and (ii) an incentive fee or allocation based upon a percentage of the profits earned by the Investment Fund with respect to its investment with the affiliate.

Also, to the extent the Investment Fund invests in private investment funds managed by Third-Party Managers, the Investment Fund will indirectly bear its *pro rata* share of the fees and expenses of those private investment funds. These indirect expenses would include the Investment Fund's *pro rata* share of an investment entity's investment expenses (such as custodial fees and brokerage commissions), legal, administrative and accounting expenses, and research expenses, and may include overhead expenses (such as rent, personnel expenses, equipment, supplies, management and consulting fees and similar expenses). Third-Party Managers generally will also charge (i) a fixed asset-based fee and (ii) an incentive fee or allocation based upon a percentage of the profits earned by the Investment Fund with respect to its investment with the Third-Party Manager.

In addition to the Incentive Allocation described above, the Investment Fund is subject to certain fees or performance-based allocations payable (or allocable, as applicable) to third-party service providers to one or more special-purpose vehicles and commingled funds managed by the Adviser (each, an "Acquisition Entity") or such providers to the investments held by one or more Acquisition Entities, as applicable.

Additionally, as described above, if the Investment Fund invests its assets in one or more of the Acquisition Entities, the Investment Fund will be responsible for its *pro rata* share of the administrative, operating and other expenses of each such Acquisition Entity, which may be all of such administrative, operating and other expenses to the extent there are no other members in such Acquisition Entity.

Please refer to "Item 8. Methods of Analysis, Investment Strategies & Risk of Loss" and "Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading" for further discussion of conflicts of interest with respect to Investment Fund. Please refer to "Item 12. Brokerage Practices" for further discussion of the Adviser's brokerage practices and fees. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth therein.

As is typical for private equity funds, the Investment Fund will likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds.

In certain circumstances, the Adviser will advance amounts related to the foregoing and receive reimbursement from the Investment Fund.

In addition, in certain circumstances, the Adviser receives compensation for management and other services performed in connection with co-investments made in portfolio companies of the Investment Fund.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. It is expected generally that any such compensation will be set at market rates. The receipt of such compensation generally will give rise to potential conflicts of interest between the Investment Fund, on the one hand, and the Adviser and/or its affiliates on the other hand.

The Securitized Asset Fund

Asset-Based Compensation

The Adviser receives a management fee (“Management Fee”) from the Securitized Asset Fund in an annual amount equal to 0.15% of the Securitized Asset Fund’s net asset value, payable quarterly in arrears on the distribution dates described in the Indenture. The Securitized Asset Fund’s obligation to pay the Management Fee shall be subject to, and in accordance with, the terms of the Indenture (including the priority of payments, as described in the Indenture).

Performance-Based Compensation

The Adviser does not receive performance-based compensation with respect to the Securitized Asset Fund.

Other Fees and Expenses

As the equity owner of the Securitized Asset Fund, the Investment Fund in most cases generally bears, with regard to the Securitized Asset Fund, most of the expenses described in the Investment Fund “Other Fees and Expenses” section above along with the expenses of the securitization waterfall. The expenses relevant to the securitization waterfall include, among others: (i) administrative expenses (including, *e.g.*, fees, expenses, indemnities and other amounts due and payable to the Trustee and the calculation agent), expenses and other amounts due and payable to the liquidity lender, other fees and expenses of the Securitized Asset Fund and Holdings (including fees and expenses of counsel, auditors, accountants and the Conflicts Advisory Board fees and rating agency expenses, and fees and expenses of any person incurred as a result of compliance with Rule 17g-5 of the Securities Exchange Act and any other person if specifically provided for in the Indenture); (ii) commitment fees and Management Fees, (iii) unpaid interest on the Notes; (iv) accrued interest regarding the liquidity loans; (v) amounts specified in the written notice delivered by the Adviser to the Trustee related to distribution dates during the reinvestment period; (vi) redemption premium, as applicable to the Noteholders; (vii) amounts related to capital calls; and (viii) taxes and registration and filing fees.

As a general matter, Noteholders do not bear these expenses. Under certain circumstances, however, as described in the Indenture, to the extent the cash flow of the securitization is insufficient to pay expenses senior to the Notes and the principal and interest regarding the Notes, Noteholders will suffer losses.

Please refer to “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss” and “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading” for further discussion of conflicts of interest with respect to the Securitized Asset Fund. Please refer to “Item 12. Brokerage” for further discussion of the Adviser’s brokerage practices. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth therein.

Item 6. Performance-Based Fees & Side-by-Side Management

As described under “Item 5. Fees and Compensation,” the Adviser receives an Incentive Allocation on certain net profits (both realized and unrealized) of the Investment Fund, although it will generally have the authority to waive an Incentive Allocation with respect to certain investors as described under “Item 5. Fees and Compensation.” The Adviser does not, however, receive performance-based compensation from the Securitized Asset Fund. Differing fee structures and/or differences in proprietary ownership could create an incentive for an adviser to favor one client over another in the allocation of investment opportunities. The Securitized Asset Fund acquires its investments from the Investment Fund. Determining which investments to allocate to the Securitized Asset Fund and at what price creates a conflict of interest for the Adviser, which is discussed under “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading.”

The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of the Investment Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors.

Certain Conflicts of Interest Associated with Side-By-Side Management

There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Adviser and its affiliates, certain of which are described below under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss” and “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading.” The discussion below does not purport to be a comprehensive discussion of all of the conflicts of interest associated with the Adviser and an investment in a Fund. The Memorandum or offering circular, as applicable, and other pertinent disclosure or governing documents, as applicable, contain additional information with respect to the actual and potential conflicts associated with an investment in a Fund.

Item 7. Types of Clients

The Adviser provides investment advice to the Funds. Each Fund is a limited liability company formed under laws of the State of Delaware and operated as an exempt investment pool under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). The investors participating in the Investment Fund include, directly or indirectly, current or former partners or employees of the Adviser and its affiliates or their estate planning vehicles (or other similar investors). The Investment Fund holds the equity in the Securitized Asset Fund. The Notes of the Securitized Asset Fund are held by third-party investors who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act of 1933, as amended) and qualified purchasers (as defined in the Investment Company Act).

With respect to the Investment Fund, initial and additional subscription minimums, if any, will be disclosed in the Memorandum. The Adviser is typically authorized to waive, reduce or modify such subscription minimums, subject to certain limitations in accordance with applicable law or regulation.

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

The Investment Fund

General

Sightway's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly made in non-public companies although investments in public companies are permitted.

The Investment Fund generally seeks to achieve U.S. dollar-denominated returns by building a portfolio of investments, with a focus on diversification from and low correlation with the Other Managed Funds. The Investment Fund generally seeks to invest in markets which it perceives to have limited efficiency and liquidity and in private entities, seeking to capitalize on investment opportunities that potentially offer significant illiquidity premiums, including across private equity, credit and special opportunities, real assets and infrastructure, real estate and venture capital. The Investment Fund engages in transactions to partner with third-party management teams in order to form new businesses, in addition to other diversifying investments. Additionally, the Investment Fund invests in privately placed investments and investment vehicles, including vehicles and other investments that are managed by an affiliate of the Adviser (such as the TSV Funds) as well as investments and investment vehicles that are managed by Third-Party Managers. Typically investments are made with Third-Party Managers that have demonstrated investment expertise and where such investment provides access to particular investment opportunities that may not otherwise be available to the Investors in the Investment Fund. The Investment Fund also invests in the equity of the Securitized Asset Fund, a securitization vehicle managed by the Adviser (described further below).

The strategies the Investment Fund pursues are long-term in nature and generally include investment lock-up provisions. These strategies are generally discretionary in nature, and seek to achieve absolute returns commensurate with a corresponding level of investment and liquidity risk.

There can be no assurance that the Adviser or the Investment Fund will achieve the investment objectives of the Investment Fund, and a loss of investment is possible.

Risks of Investment

Prospective investors should carefully consider the following risk factors. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Investment Fund will meet its investment objective or otherwise be able successfully to carry out its investment program.

An investment in the Investment Fund is highly speculative, entails substantial risks and is subject to various conflicts of interest. The Investment Fund's investment program is not suitable as the sole investment vehicle for an investor and should be part of an overall investment strategy.

An investor should invest in the Investment Fund only if such investor can bear a total loss of its entire investment in the Investment Fund, understands that there will be significant volatility in the Investment Fund's performance and has limited need for liquidity in its investment.

The following is not, and does not purport to be, a complete description of the risks associated with an investment in the Investment Fund. Rather, the following are only certain particular risks to which the Investment Fund is anticipated to be subject and that prospective investors should discuss in detail with their professional advisers.

Risks Related to Investment Program. The investment objective of the Investment Fund is to achieve dollar-denominated returns by building a diversified portfolio with investments in private entities, with Third-Party Managers and in other diversifying assets. The Investment Fund's investment portfolio is intended to have a low correlation to that of the Other Managed Funds.

Interests in the Investment Fund are subject to all of the risks associated with the purchase and sale of various instruments, including, among others, the difficulty of accurately predicting price movements in particular positions, and the difficulty of assessing the impact that an unpredictable multitude of economic and other events may have on prices. The Adviser utilize a variety of speculative investment strategies which, if unsuccessful, could result in a complete loss of an investor's entire investment in the Investment Fund.

The Investment Fund is also subject to certain additional risks, many of which will be magnified by the likely nature of the Investment Fund's investment activities. For example, in the event of a material market dislocation, the Investment Fund may find itself holding positions that, due to such crisis scenario, are difficult to liquidate, and therefore may suffer material losses as a result of such temporary illiquidity.

There can be no assurances that the strategies pursued will be profitable, and various market conditions may be materially less favorable to certain strategies than others. Mispricings, even if correctly identified, may not be corrected by the market, at least within a time frame over which it is feasible for the Investment Fund to maintain a position.

Risk of Early-Stage Investments. A substantial portion of the Investment Fund's investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. Among these risks are the general risks associated with investing in companies at the growth stage of development or with limited operating history, companies operating at a loss or with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. Part of the Adviser's investment strategy involves funding the creation of companies by third-party management teams identified by the Adviser. Unlike traditional private equity and venture capital strategies, the Adviser will commit to fund businesses before a formal company exists. There generally will be little or no publicly available information regarding the status and prospects of these companies. Such companies may face intense competition, including competition from companies with greater financial resources,

more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. There can be no assurance that the development or marketing efforts of any particular portfolio company will be successful or that its business will be profitable. Investors in the Investment Fund will therefore rely on the Adviser's judgment to identify successful management teams and such management teams' ability to create successful businesses.

There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Investment Fund's activities. As a result, the Investment Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. The portfolio companies may be unseasoned, unprofitable or have no established operating history or earnings and may lack technical, marketing, financial and other resources. These companies may be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of its manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Although the Adviser may seek to aid or influence certain of its investment companies, the Investment Fund will not have an active role in the day-to-day management of each company in which it invests. To the extent that the management of a portfolio company performs poorly, the Fund's investment in such company could be adversely affected. Furthermore, these companies may be more vulnerable to competition and to overall economic condition than larger, more established entities.

In early-stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. There is no assurance that the development efforts of any portfolio company will be successful or, if successful, will be completed within the budget or time period originally estimated. The services and products may also be subject to a high degree of technical obsolescence. There is no assurance that any portfolio company can successfully develop future generations of its services or products. Additional funds may be necessary to complete such development, and there is no assurance that such funds will be available from any particular source.

The receptiveness of potential acquirers to the Investment Fund's portfolio companies will vary over time and, even if a portfolio company investment is disposed of pursuant to a merger, consolidation or similar transaction, the Investment Fund's stock, security or other interests in the surviving entity may not be marketable. Further, the public market for emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Investment Fund to dispose of investments and the value of investment securities on the date of sale or distribution by the Investment Fund. There can be no guarantee that any investment will result in a liquidity event through a merger, acquisition, public offering or otherwise, and there is a significant risk that some or all the Investment Fund's investments will yield little or no return.

Risks of Minority Investments. The Investment Fund occasionally makes minority investments in portfolio companies where it has limited influence. Such a portfolio company may have economic or business interests or goals that are inconsistent with those of the Investment Fund and the Investment Fund may not be in a position to limit or otherwise protect the value of its investment in such portfolio company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Investment Fund's investments. The Investment Fund's control over the investment policies of such portfolio companies may also be limited.

Co-Investment Risks. The Investment Fund often co-invests in portfolio companies with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third-party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Investment Fund or may be in a position to take (or block) action in a manner contrary to the Investment Fund's investment objectives.

Illiquid and Long Term Investments; Risk of Capital Loss; No Assurance of Profit. Investments in the Investment Fund's portfolio typically will involve unregistered securities that will be subject to restrictions on resale. Thus there will often, or always, be a significant period of time between an investment and the realization of proceeds from sale or other cash realization from such investment. Investors will generally not receive distributions. Dispositions of investments may require a lengthy time period or may result in distributions in-kind to investors. Most of the Investment Fund's investments are expected to be in the equity and/or other securities of private companies. In some cases, the Investment Fund may be prohibited by contract from selling certain securities for a period of time. As a result, there generally will be limited or no marketability of the Investment Fund's investments, and such investments may decline in value while the Adviser is seeking to dispose of them. Furthermore, the Adviser may find it necessary to sell investments at a discount or to sell over extended periods of time when disposing of the Investment Fund's portfolio investments. Therefore, it is expected that the Investment Fund's investments generally will be relatively illiquid and difficult to value. The marketability and value of any such investments will depend upon many factors beyond the control of Sightway.

Difficulty of Locating Suitable Investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Investment Fund to invest in opportunities that satisfy the Investment Fund's investment objectives. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Competition for such opportunities is expected to be substantial. Finally, instances may arise where the Adviser exercises its discretion not to pursue a particular investment opportunity on behalf of the Investment Fund because of the potential restrictions that such pursuit may have on the Adviser's or its affiliates' ability to invest in or trade certain securities (or other assets) related to such investments on their own behalf or on behalf of their other clients.

Computation of Capital Accounts. Sightway's discretion with respect to all matters concerning the computation of investors' capital accounts may result in potential or actual conflicts of interest between Sightway and the investors in the Investment Fund, and Sightway's

determinations with respect to such matters may be materially different than if such determinations were made by a third-party.

Incentive Allocation. Any Incentive Allocation will reduce the allocations and distributions that would otherwise have been made to the investors absent any Incentive Allocation. In addition, the Incentive Allocation's existence may incentivize Sightway to make riskier or more speculative investments on the Investment Fund's behalf than it would otherwise make absent such performance-based allocations, which could result in adverse consequences for an investor, including but not limited to reduced returns or a complete loss of an investor's entire investment in the Investment Fund. Moreover, the manner in which Sightway determines the Incentive Allocations may create a conflict between Sightway's interests and the investors' interests as to the manner, timing and sequencing of the disposition of investments, which could result in adverse consequences for the investors, including, but not limited to, reduced returns and less efficient tax treatment.

Changes in Market Environment. Some of the investment strategies developed by the Adviser make certain assumptions about the persistence or "stationarity" of the market environment. The strategies assume that repeated past behavior of the markets can be used to predict the future, at least in limited ways. At their core, financial and economic patterns are not immutable and there can be no guarantees that relationships that appeared to govern securities and their prices in the past will continue in the future.

While the Adviser will make efforts to estimate and control the risks associated with market changes, and will attempt to identify changes as they occur, market environment changes can be sudden and extreme. When these changes occur, certain market dynamics can make the changes more severe and can cause their adverse effects to spread to other markets not affected by the initial changes.

Unspecified Transactions. Other than to the extent described in the Memorandum of the Investment Fund and any supplement thereto, the offering will not specify particular investments that the Investment Fund will acquire. Investors rely on the Adviser's ability to evaluate and acquire investments using available proceeds. The Investment Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives.

Non-U.S. Investments. The Investment Fund invests in non-U.S. instruments and derivatives on non-U.S. instruments. Investing in non-U.S. instruments and derivatives on non-U.S. instruments may involve risks and considerations not present in the investing of U.S. instruments and derivatives thereon. Since non-U.S. instruments generally are denominated, pay interest, and are settled in non-U.S. currencies, the value of the assets of the Investment Fund as measured in U.S. dollars may be affected favorably or unfavorably by changes in the exchange rate between the U.S. dollar and other currencies. The weakening of a country's currency relative to the U.S. dollar will adversely affect the dollar value of the Investment Fund's investments that are denominated in such country's currency. As a result, the Investment Fund could realize a net loss on an investment, even if there were a gain on the underlying investment before currency losses were taken into account. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, and long-term opportunities for investment and capital appreciation. Currency

exchange rates can also be affected unpredictably by controls or restrictions imposed by U.S. or non-U.S. central banks or other governmental agencies in joint or unilateral efforts to alter exchange rate trends. Political developments in the United States or abroad may also affect currency exchange rates. To the extent the Investment Fund invests in instruments denominated in non-U.S. currencies, it may be adversely affected by restrictions on the conversion or transfer of non-U.S. currencies. The Adviser may (but may not necessarily) seek to hedge these risks through currency futures contracts, forward currency contracts, swaps, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be effective. Swaps, “synthetic” or derivative instruments, and certain types of customized financial instruments are subject to the risk of non-performance by the other party to the contract. As a result, a default on the instrument may deprive the Investment Fund of unrealized profits and/or collateral held by the counterparty or may force the Investment Fund to cover its commitments for purchase or resale of the underlying currency at the then current market price.

In addition, there may be less publicly available information about non-U.S. economies and non-U.S. companies than the U.S. economy and U.S. companies. Non-U.S. companies may not be subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Many non-U.S. securities markets have substantially less volume than U.S. securities markets and, therefore, securities of non-U.S. companies are generally less liquid and at times their prices may be more volatile than securities of comparable U.S. companies. In addition, in many non-U.S. markets there is less government supervision of exchanges, brokers, dealers and issuers than in the United States. Although the Investment Fund typically would invest in instruments (and derivatives thereon) of or related to companies and governments in countries that the Adviser believes to have stable political environments, there is a possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits, establishment of exchange controls, the adoption of foreign government restrictions or other adverse political, social or diplomatic developments that could adversely affect any such investment. Some of the instruments may be subject to taxes levied by foreign governments, which has the effect of increasing the cost of such investing and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income from non-U.S. instruments held by the Investment Fund may be reduced by a withholding tax at the source. Tax conventions between certain countries and the United States, however, may reduce or eliminate such taxes, and some or all of such taxes may be creditable against the U.S. federal income tax liability of investors that are U.S. taxpayers.

United Kingdom Referendum Regarding Departure from the European Union. On June 23, 2016, voters in the United Kingdom referendum (the “Referendum”) on the question of whether to remain or leave the European Union (the “EU”) voted in a majority in favor of leaving the EU. Pursuant to the EU constitution, the only method of withdrawal is via Article 50 of the Treaty of the EU, which itself provides for a period of up to two years during which the terms of the United Kingdom’s ongoing relationship with the EU will be negotiated. The Article 50 procedure was triggered by the United Kingdom government on March 29, 2017; accordingly, it is currently anticipated that the United Kingdom will cease to be a member of the EU by the end of March 2019 (subject to any transitional arrangements or extensions which may be agreed). These historic events are widely expected to have consequences that are both profound and uncertain for the economic and political future of the United Kingdom and the EU, and those consequences include significant legal and business uncertainties pertaining to an investment in

the Investment Fund. Due to the recent occurrence of these events, the full scope and nature of the consequences are not at this time known and are unlikely to be known for a significant period of time. At the same time, it is reasonable to assume that the significant uncertainty in the business, legal and political environment engendered by these events has resulted in immediate and longer term risks that would not have been applicable in the absence of the outcome of the Referendum and the United Kingdom's anticipated withdrawal from the EU ("BREXIT Risks").

Those risks include short and long term market volatility and currency volatility, macroeconomic risk to the United Kingdom and European economies, impetus for further disintegration of the EU and related political stresses (including those related to sentiment against cross border capital movements and activities of investors like the Investment Fund), prejudice to financial services businesses that are conducting business in the EU and which are based in the United Kingdom, disruption to regulatory regimes related to the operations of the Investment Fund and Sightway, legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations in view of the expected steps to be taken pursuant to the United Kingdom's anticipated withdrawal from the EU, and the unavailability of timely information as to expected legal, tax and other regimes. The terms of the United Kingdom's exit from the EU are not clear, and the shape of the regulatory landscape following exit is not yet defined; the legal, political and economic uncertainty generally resulting from the United Kingdom referendum result and anticipated exit from the EU may adversely impact United Kingdom-based businesses, and may also result in an economic slowdown and/or a deteriorating business environment in one or more EU Member States.

In view of these risks and their application to the Investment Fund and Sightway, prospective investors should take into account the significance of the BREXIT Risks upon a prospective investment in the Investment Fund. Prospective investors should take into account the wide ranging and serious nature of these risks, and retain advice as needed, for purposes of evaluating an investment in the Investment Fund. There can be no assurance that the BREXIT Risks will not alter, and alter significantly, the attractiveness of an investment in the Investment Fund by, among other things, giving rise to impediments to the intended implementation of the investment strategy of the Investment Fund that would have material effects on performance, including the potential for capital losses, delays, legal and regulatory risk and general uncertainty.

Investments with Third-Party Managers. The Investment Fund will invest with Third-Party Managers and, as a result, the following additional risks may be associated with these investments:

- ***Multiple Investment Managers.*** The Third-Party Managers make their investment decisions independently, and one or more of such Third-Party Managers may, at any time, take positions that may be opposite of positions taken by other Third-Party Managers or the Investment Fund. It is also possible that the Third-Party Managers retained by the Investment Fund may on occasion be competing with each other for similar positions at the same time. Also, a particular Third-Party Manager may take positions for its other clients that may be opposite to positions taken for the Investment Fund.
- ***Lack of Operating History of Third-Party Managers.*** The Third-Party Managers retained by the Investment Fund may be new Third-Party Managers with a limited

performance history in operating their own management company (although such Third-Party Managers typically will have significant prior experience in the investment industry). Therefore, such investments may involve greater risks than investment with more established Third-Party Managers.

- *Performance-Based Compensation Arrangements with Third-Party Managers.* Third-Party Managers are typically compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the accounts they manage during specific measuring periods. In certain infrequent cases, Third-Party Managers may be paid an incentive fee or allocation based on appreciation during the specific measuring period without taking into account losses occurring in prior measuring periods. Such performance-based arrangements may create an incentive for such Third-Party Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Furthermore, the Investment Fund may be required to pay an incentive fee or allocation to Third-Party Managers who make a profit for the Investment Fund in a particular fiscal year even though the Investment Fund may in the aggregate incur a net loss for such fiscal year.
- *Activities of Third-Party Managers.* Third-Party Managers will have significant responsibility for making investment decisions on behalf of the Investment Fund. The Third-Party Managers will have various levels of experience. In addition, the Third-Party Managers may also manage other accounts (including other partnerships and accounts in which the Third-Party Managers may have an interest) which, together with accounts already being managed, could increase the level of competition for the same investments the Investment Fund might otherwise make. This could make it difficult to take or liquidate a position in a particular investment at a price indicated by the Third-Party Manager's strategy. Furthermore, although the Investment Fund seeks to select only Third-Party Managers who will invest the Investment Fund's assets with the highest level of integrity, the Investment Fund will have no control over the day-to-day operations of any of the selected Third-Party Managers. As a result, there can be no assurance that every Third-Party Manager engaged by the Investment Fund will conform his conduct to these standards.
- *Investment Fund Expenses.* The expenses of the Investment Fund (including the payment of fees by the Investment Fund to Third-Party Managers and the Investment Fund's *pro rata* share of expenses of any private investment funds in which it invests) may be a higher percentage of net assets than would be found in other investment entities. Strategies utilized by certain Third-Party Managers retained by the Investment Fund may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.
- *Limits on Information.* The Adviser requests certain information from each Third-Party Manager regarding the Third-Party Manager's historical performance (if any) and investment strategy. However, the Adviser may not be provided with information regarding all the investments made by the Third-Party Managers because certain of this

information may be considered proprietary information by Third-Party Managers.

Diversification of Strategies and Third-Party Managers. Although the Adviser invests with a number of different Third-Party Managers utilizing different investment strategies, it is possible that several Third-Party Managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Investment Fund to more rapid change in value than would be the case if the assets of the Investment Fund were more widely diversified.

Conversely, the Adviser may invest with Third-Party Managers that manage securities in a variety of financial sectors, industries or geographic regions. Thus, investors should be prepared to bear the risks associated with securities in any financial sector, industry or geographic region.

Hard Assets. The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature. During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks generally associated with extraction of natural resources, such as the risks of mining and oil drilling, and the risks of the hazards associated with natural resources, such as fire, drought, increased regulatory and environmental costs, and others. Hard asset securities may also experience greater price fluctuations than the relevant hard asset. In periods of rising hard asset prices, such securities may rise at a slower rate, and conversely, in time of falling hard asset prices, such securities may suffer a greater price decline.

Real Estate Related Risks. The Investment Fund invests in real estate and/or real estate related companies and/or industries and, therefore, is subject to risks associated with the direct and indirect ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income.

Energy and Natural Resources. The Investment Fund's portfolio includes investments in the energy and natural resources sectors. Consequently, the value of the Investment Fund's portfolio has exposure to factors affecting the energy and natural resources industries, such as increased regulation by both the U.S. and non-U.S. governments, developments in the energy and natural resources sectors and conservation incentives. Increased energy and natural resources regulations may, among other things, increase compliance costs and affect business opportunities for the companies in which the Investment Fund invests.

Loan Origination Risk. The value of the Investment Fund's investment in loans may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted loan. The Adviser may attempt to minimize this risk by maintaining low loan-to-liquidation values with each loan and the collateral underlying the loan. However, there can be no assurance that the value assigned by the Adviser to collateral underlying a loan of the Investment Fund can be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain

loans may be supported, in whole or in part, by personal guarantees made by the borrower or a relative, or guarantees made by a corporation affiliated with the borrower. The amount realizable with respect to a loan may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, the value of collateral supporting loans may fluctuate. Finally, there may be a monetary, as well as a time cost involved in collecting on defaulted loans and, if applicable, taking possession of and subsequently liquidating various types of collateral.

Loan Participations. The Investment Fund may invest in corporate loans acquired through assignment or participations. In purchasing participations, the Investment Fund will usually have a contractual relationship only with the selling institution, and not the borrower. The Investment Fund generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution. The Investment Fund may not directly benefit from the collateral supporting the related secured loan and may not be subject to any rights of set-off the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, the Investment Fund may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, the Investment Fund may be subject to the credit risk of the selling institution as well as of the borrower. Certain loans or loan participations may be governed by the laws of a jurisdiction other than a United States jurisdiction, which may present additional risks as regards the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

Special Situations. The Investment Fund may have investments in companies or may invest in derivatives on the equity or debt of companies involved in (or the target of) acquisition attempts or tender offers or have investments in companies or invest in derivatives on the equity or debt of companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Investment Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Investment Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Investment Fund may invest, there is a potential risk of loss by the Investment Fund of its entire investment in such companies. In connection with such transactions (or otherwise), the Investment Fund may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when- issued security are fixed when the Investment Fund enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

Investing in Emerging Market Equity Securities. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater controls on non-U.S. investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (v) increased likelihood of governmental involvement in and control over the economies; and (vi) governmental decisions to cease support of economic reform programs or to impose centrally planned economies.

The Investment Fund's investing in equity securities in emerging markets may be subject to such additional risks as (i) greater volatility, less liquidity and smaller capitalization of securities markets; (ii) greater volatility in currency exchange rates; (iii) greater risk of inflation; (iv) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (v) less extensive regulation of the securities markets; (vi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (vii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (viii) certain considerations regarding the maintenance of Investment Fund securities and cash with non-U.S. brokers and securities depositories. The Investment Fund may also invest in derivatives on such emerging market equity securities.

Emerging Market Debt Securities. The Investment Fund may also invest in emerging market debt securities, including short-term and long-term securities denominated in various currencies, which are unrated or rated in the lower rating categories by the various credit rating agencies. In addition to the risks related to investments in emerging markets generally and in emerging market equity securities as outlined above, emerging market debt securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for non-U.S. debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for emerging market debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

The sovereign debt obligations in which the Investment Fund may invest in many cases pertain to countries that are among the world's largest debtors to commercial banks, non-U.S. governments, international financial organizations, and other financial institutions. In recent years, the governments of some of these countries have encountered difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain

indebtedness. The Investment Fund may have limited legal recourse in the event of a default with respect to certain sovereign debt obligations it holds. For example, remedies from defaults on certain sovereign debt obligations, unlike those on private debt, must, in some cases, be pursued in the courts of the defaulting party itself or may even be precluded (or limited) under principles of sovereign immunity. The Investment Fund may also invest in derivatives on such emerging market debt securities.

Lack of Liquidity of Fund Assets. Investment Fund assets will include securities and other financial instruments or obligations that are thinly traded or for which no market exists. Investment Fund assets may also include securities that are restricted as to their transferability under applicable securities laws. Any such investment involves a high degree of business and financial risk that can result in substantial losses. There may be no existing market for such securities, making the purchase or sale of such securities at desired prices or in desired quantities difficult or impossible. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately.

Equity of Securitized Asset Fund. Investment Fund assets will include the equity of the Securitized Asset Fund. An investment in the equity of the Securitized Asset Fund involves certain risks, including those described further below in this Item 8 under “The Securitized Asset Fund.” The Securitized Asset Fund has incurred significant indebtedness through issuance of the Notes. An investment in the equity of the Securitized Asset Fund is subordinate to the Notes, and therefore is subject to greater risk of loss.

Leverage. The Investment Fund expects to utilize leverage in the pursuit of its investment strategy. Such leverage may include both direct borrowing (*i.e.*, “explicit leverage”), as well as exposure obtained by the use of futures or other derivatives (*i.e.*, “implicit leverage”). Trading these instruments may also, directly or indirectly, result in interest charges or costs to the Investment Fund. The Investment Fund is not limited in the amount of leverage it may employ. Additionally, as noted immediately above, the Investment Fund holds the equity of the Securitized Asset Fund which is highly leveraged through the Notes. The equity is subordinate to the Notes and therefore is subject to greater risk of loss.

The Adviser may employ any level of explicit and/or implicit leverage to attempt to enhance returns, subject to regulatory limits, contractual limitations imposed by prime brokers, dealers, counterparties and other lenders and risk management concerns. Borrowings will be effected at the Investment Fund or the Acquisition Entity level. The Investment Fund may ultimately be liable for any unsatisfied liabilities. It is noted that the Investment Fund does not anticipate reducing its leverage in the face of material decreases in the net asset value of the Investment Fund. Given the opportunistic character of the Investment Fund’s investment approach, the Investment Fund’s leverage may actually increase as additional positions are established during such periods of net asset value decreases. It is also noted that the Investment Fund and/or the Acquisition Entities may provide guarantees to and/or from one or more of the others, as needed from time to time, to support its or their investing activities.

Further, the portfolio companies in which the Investment Fund invests incur leverage that increase the risk of loss and could negatively impact the Investment Fund’s investments.

Additionally, as noted above, the Investment Fund's equity interests in the highly leveraged Securitized Asset Fund are subordinate to the Notes and therefore subject to greater risk of loss.

The use of margin, short-term borrowing and collateral requirements create additional risks to the Investment Fund. The Investment Fund may use a substantial portion of its capital to post as margin or collateral. If the value of the Investment Fund's assets were to fall below the margin or collateral level required by a prime broker or dealer, additional margin deposits or collateral amounts would be required. If the Investment Fund were unable to satisfy any margin or collateral call by a prime broker or dealer, the prime broker or dealer could liquidate some or all of the positions in the Investment Fund's account with the prime broker or for which the dealer is the counterparty and cause the Investment Fund to incur significant losses. The failure to satisfy a margin or collateral call, or the occurrence of other material defaults under margin, collateral or other financing agreements, could trigger cross-defaults under the Investment Fund's agreements with other brokers, dealers, lenders, clearing firms or other counterparties, multiplying the adverse impact to the Investment Fund. In addition, because the use of leverage will allow the Investment Fund control of or exposure to positions worth significantly more than the margin or collateral posted for such positions, the amount that the Investment Fund may lose in the event of adverse price movements will be high in relation to the amount of this margin or collateral amount.

In the event of a sudden decrease in the value of the Investment Fund's assets, the Investment Fund might not be able to liquidate assets quickly enough to satisfy its margin or collateral requirements. In that event, the Investment Fund may become subject to claims of financial intermediaries that extended "margin" loans or counterparty credit. Such claims could exceed the value of the assets of the Investment Fund. Trading of futures, forward contracts, equity swaps and other derivatives, for example, generally involves little or no margin deposit or collateral requirement and, therefore, provides substantial leverage. Accordingly, relatively small price movements in these financial instruments (and others) may result in immediate and substantial losses to the Investment Fund.

The banks and dealers that provide financing to the Investment Fund can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Investment Fund will be able to secure or maintain adequate financing.

Hedging. The Investment Fund may hedge some or all of its portfolio by taking long and short positions in related financial instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and the Investment Fund may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. Positions which would typically serve as hedges may actually move in the same direction as the instruments they were initially

attempting to hedge, adding further risk to the Investment Fund. The Adviser may determine not to hedge against certain risks and certain risks may exist that cannot be hedged.

Custody Risk. There are risks involved in dealing with the Investment Fund's custodians, dealers and/or prime brokers. The Investment Fund maintains custody accounts with its custodians, dealers and prime brokers. Although the Adviser monitors the custodians, dealers and prime brokers utilized by the Investment Fund and believes that they are appropriate custodians, there is no guarantee that the custodians, dealers and prime brokers that the Investment Fund may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code, as amended, and the U.S. Securities Investor Protection Act of 1970, as amended, seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of the Investment Fund's assets, the Investment Fund would not incur losses due to its assets being unavailable for a period of time or the ultimate receipt of less than full recovery of its assets, or both.

The Investment Fund or its custodians, dealers and prime brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Investment Fund. The custodians, dealers and prime brokers may or may not be responsible for cash or assets that are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Investment Fund as a result of the bankruptcy or insolvency of any such sub-custodian. The Investment Fund may therefore have potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Investment Fund. Under certain circumstances, including certain transactions where the Investment Fund's assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Investment Fund and hence the Investment Fund could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Investment Fund to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Investment Fund may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Investment Fund's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Counterparty and Settlement Risk. The Investment Fund may invest in various types of OTC instruments, and the Investment Fund may take on credit risk with regard to parties with whom it transacts and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market, daily settlement, segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Under certain circumstances, the Investment Fund's counterparties may be granted the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any collateral it holds from the Investment Fund, free

from any claim or right of any nature whatsoever of the Investment Fund. Furthermore, the Investment Fund's assets may not be held at a diverse number of custodians, brokers or dealers, subjecting the Investment Fund to concentrated credit risk with a small number of such parties (or one such party). In valuing OTC derivative instruments, it is anticipated that the Investment Fund will typically rely on quotes or other information provided by counterparties.

Governmental Filings. The Adviser may, in its sole discretion, elect to cause the Investment Fund to refrain from entering into a transaction that the Adviser may otherwise have caused the Investment Fund to enter into if such transaction would cause the Investment Fund, any Other Managed Fund, any Acquisition Entity, the Adviser or any of their respective affiliates to make a governmental or regulatory filing in the United States or any non-U.S. jurisdiction. Any such election by the Adviser may cause the Investment Fund to (x) forgo an investment opportunity that the Adviser had determined may otherwise generate a profit for the Investment Fund and/or (y) incur additional expenses, including without limitation, brokerage and/or legal fees.

Exchange-Traded Funds. The Investment Fund may invest in exchange-traded funds ("ETFs"), which are registered investment companies. Investments in an ETF are also subject to the fees and expenses of the ETF, which may include a management fee, other fund expenses, and a distribution fee. It should be noted that the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company.

Concentration and Diversification. Even though the Adviser expects to generally follow the investment policies and guidelines as set forth in the Memorandum, the Investment Fund will not be limited to such policies or guidelines with respect to diversification of its portfolio.

Because the Investment Fund has the ability to concentrate its investments in a few industries, issuers and financial instruments, the negative impact on the value of the assets of the Investment Fund to adverse movements in a particular economy or industry or in the value of the securities of particular issuer or financial instrument could be considerably greater than if the Investment Fund were not permitted to concentrate its investments to such an extent. Any loss with respect to a financial instrument held by the Investment Fund may have a significant adverse impact on the Investment Fund.

Fund Expenses. The expenses of the Investment Fund may constitute a higher percentage of its net assets than would be found in other investment entities. In addition, legal and research expenses, including the fees and expenses associated with advisers, third-party research, recommendations, pricing tools and/or other services utilized by the Adviser in its investment decision making process may be a higher percentage of net assets than would be found in other investment entities based on certain strategies utilized by the Investment Fund. Such fees and expenses may be an even greater percentage of net assets in the initial phase of implementation of any such strategy.

Reliance on Human Discretion. The Investment Fund's investment strategies and, the investment decisions are largely based on human discretion, and in particular on that of the personnel of the Adviser. The Adviser and its employees will endeavor to exercise that discretion

in a reasonable manner, but no guarantee can be made that such decisions will be successful or not have unintended or unforeseen consequences.

There can be no assurance that the Adviser has or will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Investment Fund's investments. Prices of the Investment Fund's investments may be volatile, and a variety of factors that are inherently difficult to predict may significantly affect the results of the Investment Fund's activities and the value of its investments. No guarantee or representation is made that the Investment Fund's investment objective will be achieved or that the Investment Fund will be able to avoid significant losses.

Investment Company Act. The Investment Fund is not registered under the Investment Company Act. Consequently, the significant investor protection provisions of the Investment Company Act will not apply to an investment in the Investment Fund.

Investment Advisers Act. The Adviser is registered as an investment adviser with the SEC pursuant to Section 203 of the Advisers Act and is therefore subject to the rules and regulations promulgated thereunder. However, the Adviser's registration with the SEC should in no way be viewed as an endorsement of the Adviser or the Investment Fund by the SEC or any other regulatory body.

Regulatory Changes. It is possible that changes in applicable laws and regulations may affect the Investment Fund's operations. In addition, a number of substantial regulatory changes are pending or in the process of changing in certain markets. However, the consequences of additional regulation on the liquidity and the functioning of the markets in which the Investment Fund invests (and, possibly, on the Adviser itself) cannot be predicted and may materially diminish the profitability of investment opportunities for the Investment Fund.

The financial services industry generally, and the activities of alternative investment funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the exposure of the Investment Fund and/or Sightway to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on Sightway, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Sightway's time, attention and resources from portfolio management activities. Significant amounts of the time and operational capacity of the Adviser will be spent dealing with regulatory changes and, particularly as an investment adviser registered with the SEC, dealing with current regulations and timely responses to inquiries from the SEC and other regulators. Significant amounts of the time and operational capacity of the Adviser may be expended to address regulatory changes and, particularly as an investment adviser registered with the SEC, to address current regulations and to provide timely responses to inquiries from the SEC and other regulators.

HIRE Act and Compliance with U.S. Withholding Requirements. Certain of the Acquisition Entities formed outside of the United States may be subject to the United States Hiring Incentives to Restore Employment Act (the "HIRE Act") and must comply with certain obligations.

The Foreign Account Tax Compliance Act (FATCA) provisions of the HIRE Act provide that a foreign financial institution which may include certain of the Acquisition Entities is required to disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in such entity, as well as certain other information relating to any such interest. If an Acquisition Entity fails to comply with these requirements, then a 30 per cent withholding tax may be imposed on payments to the Acquisition Entity of U.S. source income (such as interest or dividends) and proceeds from the sale of property that could give rise to U.S. source interest or dividends. The withholding tax provisions of the HIRE Act became effective on July 1, 2014 with respect to dividends and interest and will become effective on January 1, 2019, in the case of proceeds from the sale of property. The Investment Fund intends to cause the Acquisition Entities to satisfy any obligations imposed on them to avoid the imposition of this withholding tax, although no assurance can be given that the Investment Fund will be able to do so. If an Acquisition Entity becomes subject to a withholding tax as a result of the HIRE Act, the value of shares in the Acquisition Entity held by the Investment Fund may be materially affected, which will in turn effect the value of membership interests in the Investment Fund.

Valuation. Generally, Sightway will determine the value of all the Investment Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Investment Fund's investments because, among other things, the securities of portfolio companies held by the Investment Fund generally will be illiquid and not quoted on any exchange. Sightway, in its sole discretion, will determine the value of all the Investment Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that Sightway will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of Sightway with respect to an investment will represent the value realized by the Investment Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by Sightway may adversely affect the diversification and management of the Investment Fund's portfolio of investments.

Investments in funds managed by Third-Party Managers will be valued based on the capital statements provided by such funds. To the extent that they take part in the valuation, such Third-Party Managers are not free from conflict in valuing their own funds.

Additionally, in light of the foregoing, there is a risk that an investor who withdraws all or part of his investment while the Investment Fund holds such private or thinly traded investments will be paid an amount less than the actual value of such investments, to the extent that such actual value is higher than the value designated by the Investment Fund. Similarly, there is a risk that such investor might, in effect, be overpaid if the actual value of the private or thinly traded investment is lower than the value designated by the Investment Fund.

Sightway also uses and relies on financial models, third-party or affiliated, in pricing securities or other assets. Sightway and its affiliates are entitled to rely, without independent

investigation, upon pricing information and valuations furnished by third parties, including brokers, dealers, market makers and/or third-party pricing services.

Reliance on TSI. TSI provides various services to the Adviser, including, but not limited to, administrative, legal, technical and clerical services, access to technology equipment and office facilities, maintenance and support services, and other related and miscellaneous services. It is expected that this arrangement will be formalized in a services agreement (the “Services Agreement”) pursuant to which the Adviser will pay TSI a fee for the provision of these services. Such fee will be borne by the Adviser and not directly or indirectly by its clients. All personnel of the Adviser will have a direct employment relationship with TSI.

Because of the services provided to the Adviser by TSI, the Adviser’s performance will be materially dependent on TSI and the talents and efforts of individuals employed by TSI. TSI is not a fiduciary to the Adviser or to any of its clients. The success of the Adviser and the Investment Fund will largely be dependent upon TSI’s ability to continue to provide services to the Adviser. If TSI ceases to do so, or to do so effectively, the Adviser and the Investment Fund will be adversely affected. The Adviser has no control over TSI, and TSI may make decisions without regard to, knowledge or consideration of, the business objectives of the Adviser or the investment objective of the Investment Fund (subject to the Services Agreement).

Cybersecurity Risk. The information and technology systems of the Adviser, TSI and of key service providers to the Investment Fund may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has (directly or through its affiliates) implemented various measures designed to seek to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser or a service provider to make a significant investment to fix or replace them and to seek to remedy the effect of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Investment Fund and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

In addition, in connection with the services provided to the Investment Fund, an investor’s personal data will be subject to the Adviser’s privacy policy. An investor’s personal data may be shared with certain Sightway Affiliates and may be transferred and/or stored in various jurisdictions in which Sightway Affiliates, the Investment Fund’s administrator or sub-administrator and/or their respective affiliates have a presence. Such jurisdictions may not offer a level of personal data protection equivalent to the investor’s country of residence.

General Economic Conditions. General economic conditions may affect the value and number of investments made by the Investment Fund or considered for prospective investment.

Competitive Marketplace. The Investment Fund will compete with other funds (potentially including the Other Managed Funds) and institutional investors for the same or similar investment opportunities. There is no guarantee that the Investment Fund will be successful in doing so.

Distributions-In-Kind. Sightway may in its sole discretion cause the Investment Fund to distribute securities or other investments as distributions in-kind to investors that request or consent to such distributions in writing or without such consent in connection with the dissolution or winding-up of the Investment Fund. Such securities or other investments may not be readily marketable or salable and may have to be held by the Investment Fund's investors for an indefinite period of time. Additionally, the fair market value of such securities or other investments will be determined by Sightway in its sole discretion. Accordingly, the fair market value of such securities or other investments may not reflect the price at which they could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. If the valuations made by Sightway are incorrect, the amount of any Incentive Allocations in respect of such securities or other investments also could be incorrect, which could result in adverse consequences for an investor, including but not limited to reduced returns.

Tax Obligations. Investors will be allocated their proportionate share of the taxable income of the Investment Fund. The Investment Fund may make distributions, including tax distributions and to return excess cash that the Adviser does not anticipate utilizing in the foreseeable future, although the Adviser may in its sole discretion decide not to do so. Accordingly, investors may have to satisfy any tax obligations arising from their investment in the Investment Fund from sources other than income from the Investment Fund.

Reliance on the Adviser. The success of the Investment Fund's investments is dependent upon the ability of the Adviser to develop and implement investment strategies that achieve the Investment Fund's investment objective. If the Adviser ceases to be involved in the management of the Investment Fund or its portfolio, the Investment Fund could be adversely affected. There is no prohibition on the Adviser or any principal, officer or employee of the Adviser or its affiliates resigning. Investors have no special withdrawal rights if the Adviser (or any principal, officer or employee of the Adviser or its affiliates) was to cease to be involved in the management of the Investment Fund; rather, such investors would have the right to withdraw their interests only in accordance with the withdrawal provisions detailed in the Fund Agreement. Investors will be notified if the Adviser no longer participates in the business operations of the Investment Fund. In such case, it is possible that a significant number of investors would exercise their right to withdraw at the next applicable withdrawal date and the remaining investors could experience significant losses. In addition, there can be no assurance that enough investors would choose to maintain interests in the Investment Fund to make it feasible to continue to manage the Investment Fund's portfolio. Moreover, the performance and investment profile of other investment funds, entities or accounts managed by the Adviser or its affiliates should not be used as an indicator of the likely performance or investment profile of the Investment Fund.

Reliance on Other Managers. The Investment Fund's performance is expected to be materially dependent on the talents and efforts of individuals employed by Third-Party Managers and the manager of the TSV Funds. Sightway will have no control over the day-to-day operations of any of the selected Third-Party Managers or the manager of the TSV Funds. There can be no assurance that the TSV Funds' manager or each Third-Party Manager engaged by the Investment Fund will invest as expected by Sightway.

Trading Restrictions. In the course of its activities, there is a risk that the Adviser will receive material non-public information. The Adviser may receive such information directly as a

result of its investment advisory activities for the benefit of the Investment Fund, or indirectly as a result of its relationship with affiliates. In such event, the Investment Fund may be restricted from investing in certain securities regardless of whether the activities leading to the receipt of material non-public information were for the benefit of the Investment Fund or otherwise. Such restrictions may have a material impact on the gains and losses of the Investment Fund.

Limited Withdrawal and Transfer Rights. An investment in the Investment Fund provides limited liquidity because investors generally will be permitted to make withdrawals only as of the last calendar day of each calendar year. In addition, Investment Fund interests may only be transferred with the prior written consent of Sightway. Under certain circumstances, Sightway may restrict the right of any Member to withdraw its interest in its sole discretion and Sightway may delay, the payment of such proportion of a proposed withdrawal as is reasonably related to the reasons for such delay. Accordingly, the Investment Fund interests should only be acquired by investors willing and able to commit their assets for an appreciable period of time.

Portfolio Company Reliance on Sightway. Sightway or its affiliates often provide significant support to certain portfolio companies in the form of support sourcing, evaluating, negotiating and executing transactions and financings, as well as accounting, recordkeeping, transaction processing and other back-office services. If Sightway or its affiliates became unable to provide such services, the performance of the applicable portfolio companies and, accordingly, the performance of the Investment Fund, could be materially affected.

Lack of Management Control. The interests in the Investment Fund are generally non-voting, so investors are generally precluded from participating in the Investment Fund's management. Investors must rely on the Adviser to manage and conduct the affairs of the Investment Fund. The Adviser has wide latitude in making management decisions and may issue new interests at any time in its sole discretion. With limited exceptions, investors will have no right to participate in the decisions of the Adviser. Accordingly, investors have no direct control over the assets of the Investment Fund. If an investor becomes dissatisfied with the operation of the Investment Fund or the investment of its assets, its only recourse will be to seek the consent of the Adviser, which may be withheld in its sole discretion for any reason or no reason at all, to withdraw its interests in the Investment Fund, which recourse may be further limited by Sightway's ability to suspend or restrict the determination of the Investment Fund's net asset value.

Third-Party Litigation. The Investment Fund's investment activities are subject to third-party litigation risks. In connection with such litigation actions, the Investment Fund may be obligated to indemnify certain covered persons under the terms of the Fund Agreement and certain other

Conflicts of Interest

The Adviser's affiliates currently serve in similar capacities to Other Managed Funds, and expect to advise other clients and funds, whose accounts may purchase or sell the same and/or related financial instruments or other investments as those purchased or sold by the Investment Fund. In addition, the Adviser's affiliates may organize other U.S. or non-U.S. funds, which may be managed by the TSPI Managing Member, the Adviser or their affiliates and which may have investment objectives substantially similar to those of the Investment Fund. The Adviser's

affiliates may also manage other funds and accounts that may purchase or sell the same and/or related financial instruments as those purchased or sold by the Investment Fund and may seek investment opportunities that may be of interest to the Investment Fund. In managing such funds and accounts (collectively with the Other Managed Funds, the “Related Funds”), conflicts of interest may arise.

Investors in the Fund include persons or entities organized in various tax jurisdictions, which may have conflicting investment, tax and other interests with respect thereto. As a result, conflicts of interest may arise in connection with decisions made by the Adviser that may be more beneficial for one type of Investment Fund investor than for other types of Investment Fund investors, especially with respect to investors’ individual tax situation (including with respect to the nature or structuring of investments). In making decisions, the Adviser intends to consider the investment objectives of the Investment Fund as a whole, and not the investment objectives of any investor of the Investment Fund individually. Because the commitments contributed by the Investment Fund’s investors are primarily composed of commitments by certain of the founding members of the Adviser and its affiliates (the “Founder Investors”), conflicts may arise between the interests of the Founder Investors and those of the Investment Fund and its investors who are not Founder Investors in relation to certain decisions regarding, among other things, the nature of investments made by the Investment Fund, the structuring or the acquisition of investments and the timing of disposition of investments. The Founder Investors retain certain rights with respect to the Investment Fund’s investment decisions, which may create a conflict of interest between the interests of the Founder Investors and the interests of other investors in the Investment Fund.

As stated above, the Investment Fund seeks to achieve U.S. dollar-denominated returns by building a diversified portfolio, with a focus on low correlation to the Other Managed Funds. In seeking this low correlation, many, if not all, of the Other Managed Funds may achieve higher and, at times, substantially higher returns than the Investment Fund. Regardless of their ability to generate high returns, the Investment Fund will generally not be given access to the strategies utilized by the Adviser and its affiliates on behalf of the Other Managed Funds. In addition, instances may arise where the Adviser exercises its discretion not to pursue a particular investment opportunity on behalf of the Investment Fund because of the potential restrictions that such pursuit may have on the Adviser’s or its affiliates’ ability to invest in or trade certain securities (or other assets) related to such investments on their own behalf or on behalf of their other clients. Additionally, because the Investment Fund’s investors are comprised of current or former partners or employees of the Adviser and its affiliates or their estate planning vehicles (or other similar investors), the Adviser has an incentive to provide support to the Investment Fund that it may not otherwise provide to vehicles whose investors are comprised of unrelated third-parties.

The Adviser and its affiliates have the ability to invest in financial instruments for their own accounts. This may on occasion create conflicts of interest with the Investment Fund with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. Employees of the Adviser are permitted to engage in personal investment activities, subject to the Adviser’s policies and procedures. Such personal investment activities could involve a conflict of interest with the investment activities of the Investment Fund.

The Adviser’s personnel may have conflicts of interest in allocating their time and activity between the Investment Fund and the Related Funds, in allocating investments among the Fund

and the Related Funds and in effecting transactions between the Investment Fund and the Related Funds, including ones in which the Adviser (and its principals) may have a greater financial interest.

Subject to any relevant restrictions or other limitations contained in the Fund Agreement, the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

The Investment Fund has controlling interests in many of its portfolio companies. With respect to such companies, the Adviser and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members may approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Such amounts will be in addition to any Incentive Allocation paid by the Investment Fund to the Adviser.

Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This subjects the Adviser and its affiliates to conflicts of interest because the Investment Fund is not expected to have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser will typically determine the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

The Adviser will generally exercise its discretion to recommend to the Investment Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser (which may include a portfolio company of the Investment Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with the Investment Fund's investments from certain investors or their affiliates that are engaged in lending or related business. This will subject the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the Investment Fund, the Adviser may have an incentive to recommend the related or other person (including an investor) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Investment Fund or the Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Adviser and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Investment Fund or other investment vehicles advised by the Adviser and/or its affiliates; conversely, former personnel or executives of the Adviser and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Investment Fund or other investment vehicles they advise. The Adviser may have a conflict of interest with the Investment Fund in recommending the retention or continuation of a third-party service provider to the Investment Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in the Investment Fund, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Investment Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Investment Fund.

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to the Investment Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by the Investment Fund. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of the Investment Fund. Employees and related persons of the Adviser have, and are expected to continue to have, capital investments in the Investment Fund, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Certain expenses are paid for by the Investment Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by the Investment Fund and/or its portfolio companies. This subjects the Adviser to conflicts of interest because the Adviser will not necessarily seek out the lowest cost options when incurring (or causing the Investment Fund or its portfolio companies to incur) such expenses.

Any of the situations described above will subject the Adviser and/or its affiliates to potential conflicts of interest. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

The Securitized Asset Fund

General

The Adviser manages the Fund Investments in which Holdings is invested, including the acquisition and disposition of, and investment and reinvestment in, the various pooled investment vehicles managed by the Fund Managers. As previously noted, all of the initial Fund Investments were acquired by Holdings from the Investment Fund, and Holdings expects to acquire additional Fund Investments from, or sell Fund Investments to, the Investment Fund in the future, subject to the approval of the independent Conflicts Advisory Board. The assets of the Securitized Asset Fund will primarily consist of the interests in Holdings, and the assets of Holdings will primarily consist of the Fund Investments. From time to time, however, the Securitized Asset Fund may invest in certain eligible investments, as further specified in the Indenture for cash management purposes.

The funds in which Holdings owns or will acquire an interest employ a number of different strategies in their investments, including, without limitation:

- *Buyout* – Includes the purchase of securities of a company (typically privately placed highly illiquid equity securities) which often results in attaining a substantial or a controlling percentage of such company’s securities and thereby exercising control over its assets and operations.
- *Debt* – Includes investments in mezzanine funds which lend to, or take direct equity investments in, small business investment companies (“SBICs”), licensed by the Small Business Administration, and which supply small businesses with financing in both the equity and debt arenas. They provide a viable alternative to venture capital firms for many small enterprises seeking startup capital.
- *Infrastructure* – Includes investments in infrastructure assets and/or related portfolio companies (typically privately placed highly illiquid equity securities). Infrastructure assets can be characterized as assets that provide for essential services and which have (i) significant barriers to entry, (ii) a generally dominant market position, (iii) long duration, (iv) high upfront costs and (v) low ongoing operational costs. Investments in infrastructure generally exhibit long-term, stable cash flows and low volatility as compared to other asset classes and have inflation-linked contracts and pricing that protects investors from the effects of inflation on such long-term cash flows.
- *Natural Resources* – Includes investments in a wide variety of oil and gas exploration, production and transportation assets (typically privately placed highly illiquid equity securities), as well as investments in natural resources other than oil and gas.
- *Real Estate* – Includes investments in both residential properties and commercial properties, as well as investments in real estate portfolio companies.
- *Venture Capital* – Includes investments in start-up or other companies embarking on new ventures. Individual investment horizons tend to be longer as compared to those for the more mature companies commonly found in buyout funds.

Risks of Investment

Prospective investors should carefully consider the following risk factors. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Securitized Asset Fund will meet its investment objective or otherwise be able successfully to carry out its investment program. An investor should invest in the Securitized Asset Fund only if such investor can bear a total loss of its entire investment in the Securitized Asset Fund.

The Securitized Asset Fund will be highly leveraged. Use of leverage is a speculative investment technique and involves certain risks to investors. The leverage provided to the Securitized Asset Fund by the issuance of the Notes will result in interest expense and other costs incurred in connection with the borrowings that may not be covered by the net distributions, redemption proceeds, and, if applicable, appreciation of the Fund Investments. It is likely, the value of the equity interests in the Securitized Asset Fund would, and market value of the Notes could, be significantly affected by, among other things, changes in the value of the Fund Investments, changes in the distributions on the Fund Investments, gains and losses on the Fund Investments and other risks associated with the Fund Investments. The use of leverage generally magnifies the Securitized Asset Fund's risk of loss. As a result, the Notes may not be paid in full, and the equity interests and the Notes may be subject to 100% loss.

As such, the equity interests and the Notes will not be appropriate or suitable for all investors. Investors must not invest in the equity or the Notes unless they understand the terms and risks of this transaction, including the conflicts of interest, and are able to bear the economic consequences of such an investment.

Further, the ability of the Securitized Asset Fund to make payments on the Notes is highly dependent on the performance of the Fund Investments. There can be no assurance that the Fund Investments will be successful, that investors will receive a return of any or all of their investments in the Notes or that they will receive any return (or avoid any loss, including total loss) on their investment in the Notes. Prospective investors are therefore advised to review the offering circular for the Notes carefully and should consider, among other things, the following risk factors (along with, among other things, the inherent risks of investment activities) before deciding whether to invest in the Notes. Each prospective investor should consult its own legal, tax and financial advisers regarding the desirability of purchasing the Notes and the suitability of an investment in the Securitized Asset Fund.

The following is not, and does not purport to be, a complete description of the risks associated with an investment in the Securitized Asset Fund. Rather, the following are only certain particular risks to which the Securitized Asset Fund is anticipated to be subject and that prospective investors should discuss in detail with their professional advisers.

Risks Relating to the Fund Investments

Investing in Private Equity Has Inherent Risks. Private equity and similar investments involve a high degree of risk. Private equity investments, such as the Fund Investments, typically do not generate a determinable and scheduled stream of income and the level of distributions thereon is extremely uncertain. The funds in which Holdings owns interests may hold private

equity securities or related income-oriented investments, which are not typically debt investments or other investments which by their terms convert to cash in a finite period of time. Such funds generally expect to realize a profit on a portfolio investment upon the sale of such portfolio investment or through distributions of income over substantial periods of time. As a result, the Fund Investments represent long-term investments that are generally not expected to generate an investment return for a number of years and, consequently, the timing of cash distributions to Holdings and the Securitized Asset Fund from the Fund Investments may be uncertain and unpredictable. The success or failure of any investment in a fund depends largely on the ability of its Fund Manager to choose, develop and realize appropriate portfolio investments. Funds may have limited or no operational history, may have no established track record in achieving their investment objectives and may be wholly unregulated investment vehicles. Funds may also invest in highly leveraged companies or in securities of companies or assets that are highly illiquid. As a result of the high degree of risk associated with private equity investments such as the Fund Investments, there can be no assurance that the Fund Investments will generate sufficient amounts to repay the Notes. Furthermore, some or all of the Fund Investments may decline in value, which could result in a decrease of the Securitized Asset Fund's net asset value ("NAV") and, accordingly, in the value of the Notes.

Calculation of Reported NAV May Not Be Reliable. The reported NAV of a Fund Investment will be the valuation of such Fund Investment as reported on the most recent financial reports from the respective Fund Manager. Such report may be outdated and may have been superseded by other materials or events. Annual reports issued by the funds in which Holdings invests will typically be made available to the investors in those funds, including Holdings, several months after year end and, accordingly, information relating to such funds received by Holdings and the Securitized Asset Fund may be significantly outdated. There is generally no obligation on Fund Managers to report material changes in the value of the underlying portfolio of the funds on a basis more frequent than quarterly. In particular, in the case of funds that invest in other funds there may be more significant delay in information reporting. Private company investments made by the funds typically have no active trading market, and their valuation may reflect the subjective determination by the Fund Managers. In addition, there is no single, uniform technique applied to the valuations reported by the different Fund Managers because each Fund Manager performs its own valuation and no one party values investments across the entire portfolio of the Fund Investments. The valuation reported by the Fund Managers may differ significantly from the values that would have been used had a ready market for the Fund Investments existed. Furthermore, the data and valuations reported by Holdings or the Adviser will not be calculated, reviewed, verified or in any way sanctioned or approved by the Fund Managers. Such factors may lead to uncertainty in the accuracy of each reported NAV and the adjusted portfolio NAV more generally. As a result, reported NAV may be substantially different from the amount recoverable in connection with a liquidation of the related Fund Investment or the fair market value of the investments that underlie such Fund Investment.

Holdings May Receive from Fund Investments Securities or Other Property in Lieu of Cash. From time to time, the funds in which Holdings invests may distribute securities to its limited partners or other investors in lieu of cash. Such securities may be restricted securities that are highly illiquid and the liquidation proceeds thereof may be significantly less than the amount of cash which would have been distributed instead of such securities. Under the terms of the Holdings guarantee, Holdings will direct or cause any such securities or other non-cash

investments to be paid or distributed directly to the Securitized Asset Fund, for deposit in its custodial account. While the Securitized Asset Fund will attempt to dispose of or otherwise realize upon (including, without limitation, through holding until maturity or a liquidity event with respect to the underlying issuer, as applicable) such securities or other investments in a commercially reasonable manner, there may be substantial delays in such dispositions or realizations and the amounts which may be realized may be impaired, any of which may have a materially adverse effect on the Securitized Asset Fund's ability to meet its obligations on the Notes.

Holdings may be Subject to Substantial Penalties for Failures to Satisfy Fund Investment Capital Calls. Generally, the documents for a fund in which Holdings invests will usually provide for penalties in the event that an investor (such as Holdings as holder of the Fund Investments) fails to meet a capital call pursuant to such investor's capital commitment, and such penalties may be severe. There is typically a short grace period during which default interest accrues on the unpaid amount. If the default continues beyond the grace period, the investor may become subject to severe sanctions, including termination of the investor's right to participate in future investments by the pertinent fund, loss of its entitlement to distributions or income but not its liability for losses or partnership expenses, loss of voting rights, mandatory transfer or sale of its Fund Investment at a discount, continuing liability for interest in respect of the defaulted amount, partial or total forfeiture of the Fund Investment and liability for any other rights and remedies (including legal remedies) the Fund Manager may have against the investor. Certain of the funds may give the Fund Manager the right to proceed directly to forfeiture proceedings following notice and continuation of default by an investor, in which case the share of the defaulting investor would generally become assets of the pertinent fund and be divided among the Fund Manager and the remaining investors in the fund. Holdings' sole sources to satisfy capital calls with respect to the Fund Investments will be from the amounts on deposit from time to time and certain other proceeds as described in the Indenture. To the extent that any Fund Investment capital call exceeds the amount available to Holdings under such sources of funding, Holdings will not have sufficient funds to meet such Fund Investment capital call. Any failure by Holdings to meet any Fund Investment capital call with respect to a Fund Investment may have a material adverse effect on such Fund Investment and on the Securitized Asset Fund's ability to make payments on the Notes.

Funds Have Rights to Require Contributions for Indemnities and Other Purposes; Holdings may be Subject to Substantial Penalties for Failures to Satisfy Such Required Contributions. The documents for a fund in which Holdings invests often contain indemnities from each investor (such as Holdings as holder of the Fund Investment) in favor of the Fund Manager and related persons such as directors, officers, employees and agents, in respect of specified or general liabilities incurred in connection with the business of the fund or as a result of acting in the relevant capacity. To the extent that such risks are not covered by insurance, these actions could expose the fund's investors to claims for indemnification. Such indemnities are sometimes limited to all or a portion of each fund investor's total capital commitment or to distributions from the fund, but some may have no limit. Prospective investors should be aware of the risk that claims under such indemnities could result in the loss in whole or in part of Holdings' Fund Investment in any fund. In addition, some of the fund documents provide that upon the failure by a fund investor to meet a Fund Investment capital call, the Fund Manager has the right to require the non-defaulting fund investors (including Holdings as holder of the Fund

Investment) to make additional capital contributions on a pro rata basis to make up the amount not paid by the defaulting fund investor. This provision would require the non-defaulting fund investors to contribute a larger share of their capital to a particular investment than they otherwise would have. However, most of the fund documents that contain such a provision also provide that such additional capital contributions will not individually exceed the non-defaulting investor's then unfunded capital commitment or in the aggregate increase the capital commitment of the non-defaulting investor. Holdings' sole sources to fund such indemnity and additional capital contribution obligations with respect to the Fund Investments will come from the amounts on deposit from time to time as described in the Indenture. If Holdings fails to meet such indemnity and additional capital contribution obligations, it would be subject to sanctions similar to the sanctions described under "—Holdings may be Subject to Substantial Penalties for Failures to Satisfy Fund Investment Capital Calls" above. Any failure by Holdings to meet any such indemnity and additional capital contribution obligations with respect to a Fund Investment may have a material adverse effect on such Fund Investment and on the Securitized Asset Fund's ability to make payments on the Notes.

Holdings may be Liable for Returns of Certain Distributions from Funds. If a fund in which Holdings invests is otherwise unable to meet its obligations, the fund's investors (including Holdings as holder of the Fund Investment) may, under applicable law and the fund documents, be obligated to return, sometimes with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contribution or deemed to have been wrongfully paid to them. If Holdings fails to meet such obligations, it would be subject to sanctions similar to the sanctions described under "—Holdings may be Subject to Substantial Penalties for Failures to Satisfy Fund Investment Capital Calls" above. Any failure by Holdings to meet any such obligations with respect to a Fund Investment may have a material adverse effect on such Fund Investment and on the Securitized Asset Fund's ability to make payments on the Notes.

Certain Funds Contain Withdrawal or Excuse Provisions. Certain funds contain provisions permitting the Fund Manager to require the withdrawal of an investor, such as Holdings, if its continued participation in the fund would trigger adverse legal, regulatory or tax consequences. In many cases this power is quite broad and discretionary and can be imposed on an investor which is not in default of its funding obligations.

In addition, certain funds have excuse or exclusion provisions. In some cases the Fund Manager can require an investor be excluded from an investment. In addition, sometimes all or certain limited partners can trigger excuse rights so that they do not invest in Fund Investments which may violate law or their internal policies. If such provisions are triggered, Holdings may have a less diversified portfolio than anticipated or may have additional exposure to a particular Fund Investment.

The Fund Investments are Highly Illiquid. No Fund Investment is registered under U.S. federal or state securities laws, and so will be subject to restrictions on transfer contained in such laws. Furthermore, a holder of a Fund Investment, including Holdings, is generally subject to additional restrictions on transfer as set forth in the underlying fund documents and is generally prohibited from assigning, pledging or otherwise transferring any of its Fund Investment, or withdrawing from the fund, without the consent of the Fund Manager.

There may be no secondary market for many or all of the Fund Investments, and any such markets, to the extent they exist, are likely to be highly illiquid. In addition, the Fund Investments may also be difficult to value and any disposition of them may require a lengthy period of time to accomplish. Although there is no expectation that the Fund Investments will be sold, in the event of such a sale, as a result of the highly illiquid nature of the Fund Investments, proceeds received in respect of any sale of a Fund Investment may be substantially less than the NAV reported by the Fund Manager. Were the entire portfolio of Fund Investments to be sold, there can be no assurance that the aggregate sale proceeds would be equal to or greater than the aggregate amount outstanding under the Notes and the Indenture.

No Rights to Participate in Management of Funds or Portfolio Companies. The Fund Managers generally have control over the management and operation of the funds comprising the Fund Investments (including, without limitation, evaluation of the relevant economic and financial information regarding the structuring, acquisition, monitoring and disposition of portfolio investments of the funds). Neither Holdings, as holder of Fund Investments, nor the Adviser will have the right to participate in the management or operation of the funds. Holdings, as holder of Fund Investments, and the Adviser will have only a limited ability to monitor the investments made by the funds, whether any fund has engaged in additional or alternative strategies without consent or advice of any other person or whether the investment strategies and guidelines of the funds are adhered to. Holders of Notes must rely solely on the ability of the relevant Fund Managers to operate the businesses of the funds and to manage the portfolio investments held by the funds.

Certain Funds May Invest with Third Parties. A Fund may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party partner or investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with that of the applicable fund, or may be in a position to take action contrary to the fund's investment objectives. The Fund Manager will be responsible for allocating expenses between the fund and co-investors and may have considerable latitude in doing so, and there can be no assurances that the Fund Manager will allocate such expenses in the manner most favorable to the fund. In addition, a fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers.

Certain Fund Investments May Be Structured as Co-Investments. Certain Fund Investments may be structured as co-investments in a portfolio company and co-invest alongside financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third-party is not involved, including the possibility that (i) the co-investors may have financial difficulties resulting in a negative impact on such co-investment or may have interests or objectives that are inconsistent with those of the fund or may be in a position to take (or block) action in a manner contrary to the fund's investment objectives or (ii) in certain circumstances, the Fund Investment (alone or together with other co-investors) may be deemed to have a control position with respect to a portfolio company which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of

governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Risk Related to General Economic and Market Conditions. General economic or market conditions may adversely affect the performance of the Fund Investments. Factors affecting economic conditions, including, for example, public market volatility, inflation rates, rising interest rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of a fund, the related Fund Manager, the Adviser or the Securitized Asset Fund, can substantially and adversely affect the business and prospects of a fund and the portfolio companies in which it has invested.

Leverage. The funds may be able to borrow without limitation and may utilize various lines of credit and other forms of leverage, including swaps. In certain cases, a fund may pledge the unfunded capital commitments of Holdings in the fund to a lender in connection with a financing. While leverage presents opportunities for increasing a fund's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the fund will decrease. Additionally, any event that adversely affects the value of an investment by a fund would be magnified to the extent such fund is leveraged. The cumulative effect of the use of leverage by a fund in a market that moves adversely to such fund's investments could result in a substantial loss to the fund, and consequently to the Securitized Asset Fund.

Leveraged Portfolio Investments are Subject to Inherent Risks. Funds may invest in leveraged acquisition transactions or in portfolio companies or portfolio investments that have a significant amount of indebtedness. In addition, certain of the portfolio companies may incur indebtedness in connection with various transactions, such as acquisitions, self-tender offers, recapitalizations and others, that may be undertaken contemporaneously with or subsequent to the portfolio investment in such portfolio company. A highly leveraged company or asset is generally more sensitive to downturns in its business and to changes in prevailing economic conditions than is a company with a lower level of debt. The ability of a portfolio company to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. In addition, the portfolio investments may be among the most junior securities in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, such portfolio investments will not be secured by collateral.

The Fund Investments are Subject to the Risks of the Investment Strategies of the Funds and to Concentration Risks. The Securitized Asset Fund invests in funds which employ a wide range of strategies and invest in many different equity and debt instruments. Each Fund Manager has, in disclosure provided in connection with the offering of the related Fund Investments, indicated the strategy it intends to pursue. However, the fund documents for most funds provide the Fund Manager with substantial discretion to modify or vary such strategy or focus. There can be no assurance that a Fund Manager will not substantially vary its investment strategy or focus in a manner that may be materially different from the characterization given to a fund herein. The performance of the Fund Investments will depend on the success of the Fund Managers of the funds in their employment of the strategies they have adopted.

A number of the Funds invest primarily in particular industries and geographic regions. To the extent that the value of the investments of the Funds is highly correlated with such industries or geographic regions, payments to the Noteholders could be adversely affected by any significant negative developments in such industries and/or geographic regions.

A summary of certain of the risks associated with certain of the strategies and investment focuses of the Fund Investments follows below:

- *Buyout (Private Equity).* Investments in private equity typically involve the acquisition of junior securities (equity or unsecured, subordinated debt) in privately held companies, often in connection with a leveraged buyout or recapitalization of the company. The successful identification of such portfolio companies will be highly dependent on the skills of the Fund Manager. There is substantial competition for investments in such companies, which may make it difficult for the Fund Manager to identify investment opportunities at attractive values. A fund in this category may invest in a limited number of companies and may focus on one or a limited number of industry segments. The success or failure of a fund may be substantially affected by the resulting concentration in investments or industry segments. Portfolio companies typically incur indebtedness senior to the investment position of the fund, and such indebtedness may be substantial. While such leverage may enhance returns on a fund's investment, the junior position of the investment means that in the event of a failure or bankruptcy of a portfolio company, the fund may receive little or no return, including a total loss of its investment.
- *Debt.* Certain funds may largely invest in mezzanine funds, which funds in turn lend to, or take a direct equity investment in SBICs. SBICs are allowed to borrow from the federal government in order to augment the funds of private investors. SBICs usually focus on investments in the \$100,000 to \$250,000 range, and tend to have more borrower-friendly underwriting requirements than a typical venture capital investment. Equity investments in SBICs may be illiquid and debt investments may be subordinated to other indebtedness.
- *Infrastructure.* Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments can also affect the ability of a fund to purchase or divest Fund Investments on favorable terms. Moreover, infrastructure assets usually have narrow customer bases. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. For example, the insolvency of the lead contractor, a major subcontractor and/or key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure project and result in a material adverse effect on a fund's investment. Funds that invest in greenfield infrastructure projects are all subject to construction and completion risk.

- *Natural Resources (Oil and Gas).* Investments in this sector are subject to a number of substantial risks which are difficult to predict, and many of which are outside the control of a Fund Manager. Prices for oil and gas are subject to high volatility, fluctuating as a result of many factors including changes in the supply of oil and gas, weather conditions, market uncertainty, general global economic conditions, governmental regulation and political developments. As a result, the prices at which oil and gas may be sold, and the prices at which oil and gas producing properties or wells may be acquired or sold, are inherently unpredictable. Oil and gas production and the transportation thereof are also subject to operating risks, including fires, explosions, blowouts, uncontrollable flows of well fluids, pollution, earthquakes, transportation breakdowns and work stoppages. The occurrence of any of these operating risks could result in substantial liability and the suspension or termination of operations. The energy industry is also subject to substantial governmental regulation. The adoption of additional regulation may have a material adverse effect on the energy industry generally and the investment return on any Fund Investments in this industry.
- *Natural Resources (Non-Oil and Gas).* Certain funds may largely invest in assets or businesses invested in natural resources other than oil and gas, including metals, mining, commodities, farmland and timber. Precious metals are subject to high volatility, fluctuating as a result of many factors, including changes in the supply of metals, weather conditions, market uncertainty, general global economic conditions, governmental regulation and political developments. As a result, the prices at which metals may be sold, and the prices at which metal producing properties or mines may be acquired or sold, are inherently unpredictable. To the extent that a fund is investing in unproven mines or other reserves, there can be no assurance that any such well will be successful or that the income from the mine or reserves will exceed the investment made by the fund.
- *Real Estate.* Certain funds may largely invest in real estate and/or related portfolio companies. Real estate investments include investments in both residential properties and commercial properties. The performance of the related Fund Investments and the underlying portfolio companies may be subject to risks associated with the direct and indirect ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income.
- *Venture Capital.* Certain funds may largely invest in venture capital transactions. Such funds will usually acquire equity positions in early stage businesses with limited or no revenues, and which have yet to demonstrate the ability to generate revenues. The successful identification of such portfolio companies will be highly dependent on the skills of the pertinent Fund Manager. There is substantial competition for investments in such companies, which may make it difficult for the Fund Manager to identify investment opportunities at attractive values. An investment in an early-stage business is subject to high risk and uncertainty. The performance of a portfolio company may depend on many factors outside the control of its management as well as the Fund

Manager, including general economic conditions, the existence or appearance of competition, technological developments, regulatory developments and events relating to the company personnel. Such businesses are subject to high rates of failure, and in the event of a failure of a portfolio company, a fund's investment may receive little or no return, including a total loss of its investment.

Environmental Liabilities. Some of the Fund Investments may be exposed to substantial risk of loss from environmental claims arising in respect of investments made having undisclosed or unknown environmental problems or as to which inadequate reserves with respect to such problems had been established. Environmental claims with respect to a specific investment, net of insurance coverage, may exceed the value of such investment, and under certain circumstances, subject the other assets of such funds to such liabilities.

Increased Government or Market Regulation. Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the "private equity" industry in general. Certain legislation proposing greater regulation of the industry is periodically considered by the U.S. Congress, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Securitized Asset Fund, the Adviser, the Fund Investments, the Fund Managers, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the Securitized Asset Fund, as well as require increased transparency as to the identity of the investors.

Risks Relating to Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of certain portfolio companies in which the funds invest may undermine a fund's due diligence efforts with respect to such portfolio companies and may negatively affect the valuation of Holdings' investments. Holdings does not have custody of the assets or control over their investment by a fund. A fund in which Holdings invests could divert assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct, resulting in losses to Holdings and the Securitized Asset Fund.

Investment in Funds Could Cause Litigation and Enforcement Risk. Funds might accumulate substantial positions in the securities of a specific company and engage in a proxy fight, become involved in litigation, or attempt to gain control of a company. Under such circumstances, Holdings conceivably could be named as a defendant in a lawsuit or regulatory action. There have been a number of widely reported instances of violations of securities laws through the misuse of confidential information. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized, and for penalties. Investigations and enforcement proceedings are ongoing, and it is possible that funds selected for investment may be charged with involvement in such violations. If that were the case, the performance records of such funds would be misleading. Furthermore, if a fund in which Holdings invests engaged in such violations, Holdings and the Securitized Asset Fund could be exposed to losses.

Certain Fund Investments may Include Non-U.S. Investments. Certain funds may invest in non-U.S. instruments and derivatives on non-U.S. instruments. Investing in non-U.S.

instruments and derivatives on non-U.S. instruments may involve risks and considerations not present in the investing of U.S. instruments and derivatives thereon. Since non-U.S. instruments generally are denominated, pay interest, and are settled in non-U.S. currencies, the value of the assets of the Fund Investment as measured in U.S. dollars may be affected favorably or unfavorably by changes in the exchange rate between the U.S. dollar and other currencies. To the extent a fund invests in instruments denominated in non-U.S. currencies, it may be adversely affected by restrictions on the conversion or transfer of non-U.S. currencies. The pertinent Fund Manager may (but may not necessarily) seek to hedge these risks through currency futures contracts, forward currency contracts, swaps, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be effective. Swaps, “synthetic” or derivative instruments, and certain types of customized financial instruments are subject to the risk of non-performance by the other party to the contract.

In addition, there may be less publicly available information about non-U.S. economies and non-U.S. companies than the U.S. economy and U.S. companies. Non-U.S. companies may not be subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Many non-U.S. securities markets have substantially less volume than U.S. securities markets and, therefore, securities of non-U.S. companies are generally less liquid and at times their prices may be more volatile than securities of comparable U.S. companies. In addition, in many non-U.S. markets there is less government supervision of exchanges, brokers, dealers and issuers than in the United States. There is a possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits, establishment of exchange controls, the adoption of foreign government restrictions or other adverse political, social or diplomatic developments that could adversely affect any such investment. Some of the instruments may be subject to taxes levied by foreign governments, which has the effect of increasing the cost of such investing and reducing the realized gain or increasing the realized loss on such securities at the time of sale.

Risks Relating to the Notes

An Investment in the Notes Will Not Be Suitable for All Investors. Structured investment products like the Notes are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Securities issued in securitization transactions have experienced in the past, and may in the future experience, historically high volatility and significant fluctuations in market value. Any investor interested in purchasing Notes should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such a purchase.

There is Currently No Market for the Notes. There can be no assurance that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue for the life of the Notes. The Notes will not be listed on any securities exchange. In particular, the Notes may be transferred only to persons that are both qualified institutional buyers and qualified purchasers. The restrictions on the transfer of Notes may further limit their liquidity. Consequently, an investor in the Notes must be prepared to hold the Notes until maturity.

The Notes are Not Guaranteed by Any Party Other Than Holdings. The Notes are issued by the Securitized Asset Fund and guaranteed by Holdings. Other than such guarantee, none of the Securitized Asset Fund, the Adviser, the Trustee or any other party makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor in the Notes, and no investor may rely on any such party for a determination of expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor in the Notes.

The Notes Are Not Secured by a Security Interest in the Fund Investments. The Fund Investments are owned by Holdings, which is a bankruptcy-remote special purpose vehicle with limited activities. The Notes are obligations of the Securitized Asset Fund, secured by the Holdings LLC interests and guaranteed by Holdings. However, due to restrictions contained in the fund documents, Holdings is not permitted to grant, and is not granting to the Securitized Asset Fund, the Trustee or any other person, a security interest in the Fund Investments. In the event of acceleration of the Notes and enforcement by the Trustee of its rights against the Securitized Asset Fund (in respect of the Indenture) and Holdings (in respect of the Holdings guarantee), the Trustee will not have the rights of a secured creditor in the Fund Investments and the Fund Investments would also be subject to claims of any other creditors of Holdings.

The Notes Are Subject to Redemption and Prepayment. The Notes are subject to redemption in whole prior to the final maturity date under the following circumstances:

- The Notes are subject to optional redemption, in whole but not in part, at the option of the Securitized Asset Fund at any time on or after the distribution date in November 2020. Any optional redemption on or after the distribution date in November 2020 but prior to the distribution date in November 2022 shall be subject to payment of a redemption premium.
- The Notes are subject to redemption, in whole but not in part, upon the election of the Securitized Asset Fund upon the occurrence of certain specified tax events.
- The Notes are also subject to partial optional repayment on any distribution date under certain circumstances as specified in the Indenture, subject to payment of a redemption premium.

The Noteholders receiving payments as a result of such a redemption or repayment may not be able to invest the proceeds of such redemption or repayment in investments providing a return equal to or greater than the Noteholders expected to obtain from their investment in the Notes.

The Notes are Limited Recourse Obligations. The Notes are debt obligations of the Securitized Asset Fund limited in recourse solely to the assets of the Securitized Asset Fund and, as provided in the Holdings Guarantee, Holdings. Other than cash amounts of the Securitized Asset Fund on deposit in its accounts, the principal assets of the Securitized Asset Fund are the Holdings LLC interests, and the principal assets of Holdings are the Fund Investments. None of the security holders, members, officers, directors, partners or incorporators of the Securitized Asset Fund, the Adviser, the Trustee or any of their respective affiliates or any other person will be

obligated to make payments on the Notes. The Securitized Asset Fund's ability to make interest payments and principal repayments on the Notes will be constrained by the terms of the Indenture. Holders of the Notes must rely solely on the proceeds of Fund Investments and, to the extent described in the offering circular for the notes, the proceeds of Liquidity Loans as sources of payment on the Notes, and there can be no assurance that those sources will be sufficient to pay all amounts due on the Notes. If distributions on the assets of the Securitized Asset Fund and Holdings are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and, following liquidation of all such assets, neither the Securitized Asset Fund nor Holdings will have any obligation to pay any deficiency, which will be extinguished and will not revive.

Failure of a Court to Enforce Non-Petition Obligations may Adversely Affect Holders. Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Indenture, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, then the filing or presentation of such a petition could result in one or more payments on the Notes made during the period prior to such filing being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Securitized Asset Fund's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the property of the Securitized Asset Fund or Holdings without regard to any votes or directions required for such liquidation pursuant to the Indenture. If the non-petition covenant is unenforceable or is violated by one or more Holders or beneficial owners, the petitioning Holders or beneficial owners will be subject to the subordination provisions of the Indenture. However, a bankruptcy court may find that such subordination provisions are not enforceable on the ground that it violates an essential policy underlying applicable bankruptcy or insolvency law.

Supplemental Indentures May Modify the Indenture, and Some Supplemental Indentures Do Not Require Consent of Various Noteholders or Confirmation of the Ratings of the Notes. The Indenture provides that the Securitized Asset Fund and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. Execution of supplemental indentures is subject to various conditions precedent. In certain cases, the consent of the Noteholders is required, but, in certain cases, such consent is not required without regard to whether the Noteholders are materially and adversely affected or is required from less than 100% of the holders of the Notes that would be materially and adversely affected by the supplemental indenture. Non-consenting Noteholders may be materially and adversely affected by a supplemental indenture that is entered into following consent by the required percentage of the Noteholders. In addition, while the rating agency may be provided advance notice of proposed supplemental indentures, confirmation of the ratings of the applicable Notes may not be a condition precedent to the Securitized Asset Fund's entry into a supplemental indenture.

Remedies Available to Noteholders Relating to Adverse Performance of the Fund Investments Are Limited. If the funds owned by Holdings experience adverse performance, the NAV may decline and the Fund Investments may otherwise be impaired. The Notes will be subject to repayment as specified in the Indenture.

The Weighted Average Lives of the Notes May Vary. The final maturity date of the Notes is the distribution date in August 2033. The weighted average life of the Notes will be affected by the amount and timing of payments received with respect to the Fund Investments, and is expected

to be materially shorter than the period from the settlement date to the final maturity date. The timing of payments on investments such as the Fund Investments, however, are inherently unpredictable. The amount and timing of payments of principal on the Notes will also be affected by, among other things, any redemption of all or any part of the Notes and an acceleration of the principal of the Notes in connection with the occurrence of an event of default as specified in the Indenture. The occurrence of any unscheduled principal repayments of the Notes is, in turn, determined by the amount and timing of payments with respect to the Fund Investments, which will be dependent on, among other things, the financial condition of the funds and the characteristics of the Fund Investments, including the existence and frequency of exercise of any prepayment, optional or mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption price and the actual default rate, the frequency of tender or exchange offers for the Fund Investments and any sales of Fund Investments. Prospective investors should make their own determinations of the payments expected to be made in respect of the Notes.

Other General Risks

Please see also the discussion of risks pertinent to the Investment Fund earlier in this Item 8 for a summary of certain risks that are also pertinent, in whole or in part, to the Securitized Asset Fund, including “Reliance on Human Discretion,” “Valuation,” “Reliance on TSI,” “Cybersecurity Risk” and “Conflicts of Interest.”

Conflicts of Interest

As noted, the Adviser also is an affiliate of the Investment Fund and acts as the investment manager for the Investment Fund and the Acquisition Entities, as well as acting as investment manager for the Securitized Asset Fund and Holdings. For these and other reasons, various potential and actual conflicts of interest may arise for the Adviser with respect to its obligations to Holdings and the Securitized Asset Fund from the overall investment activities of the Adviser and the Sightway Affiliates for the accounts of other clients. For example, the Adviser, the Sightway Affiliates and their respective clients (including Investment Fund) may invest in assets that are senior to, or have interests different from or adverse to, the Fund Investments. The Adviser and the Sightway Affiliates may give advice or take action for their own account or their other client accounts which may differ from advice given or action taken for Holdings, or may have an adverse effect on Fund Investments owned by Holdings. The Adviser may, in accordance with the pertinent investment management agreement, direct Holdings to dispose of certain Fund Investments. The Adviser and its Sightway Affiliates may also have ongoing relationships with, render services to, or engage in transactions with, or own interests in or obligations of, funds in which Holdings invests and companies whose interests or obligations are owned by such funds.

Additionally, as described above under “Risks Related to the Notes—The Notes Are Subject to Redemption and Prepayment,” the Notes are subject to optional redemption. The Adviser will make determinations as to optional redemptions of the Notes without regard to the effect such redemptions may have on Noteholders. Also, investments at different levels of an issuer’s capital structure or otherwise in different classes of an issuer’s securities, create conflicts of interest. Please see “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading” for a discussion of this conflict along with conflicts related to principal transactions and other matters.

Please see the discussion of conflicts of interest pertinent to the Investment Fund above in this Item 8 and the discussions of conflicts of interest in “Item 6. Performance-Based Fees & Side-by-Side Management” for summaries of certain additional conflicts of interest that are also pertinent, in whole or in part, to the Securitized Asset Fund.

Item 9. Disciplinary Information

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10. Other Financial Industry Activities & Affiliations

In addition to the Adviser, Sightway Affiliates include three SEC-registered investment advisers, TSI, Two Sigma Advisers, LP (“TSA”) and Two Sigma Investor Solutions, LP (“TSIS”), as well as one broker-dealer registered with the SEC, Two Sigma Securities, LLC (“TSS”). TSI, a Delaware limited partnership, manages third-party and proprietary private investment funds. TSA, a Delaware limited partnership, manages third-party private investment funds and provides advisory services to certain separately managed accounts. TSIS, a Delaware limited partnership, provides non-discretionary investment advice to institutional clients and operates a private, web-based platform that provides institutional subscribers with access to analytic and research tools and data to help such subscribers manage their investment programs.

TSI and TSA are each registered as both a commodity pool operator and a commodity trading advisor with the U.S. Commodity Futures Trading Commission (the “CFTC”) under the Commodity Exchange Act. Additionally, TSIS is registered as a commodity trading advisor with the CFTC under the Commodity Exchange Act.

TSS is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and a number of other self-regulatory organizations and exchanges.

The Adviser and certain of its related persons are affiliated with and/or own interests in TSA, TSI, TSIS or TSS.

All employees of the Adviser also have a direct employment relationship with TSI.

TSI provides various services to the Adviser, including, but not limited to, trade execution; administrative, legal, technical and clerical services; access to technology equipment and office facilities; maintenance and support services; and other related and miscellaneous services. It is expected that this arrangement will be formalized in the Services Agreement, pursuant to which the Adviser will pay TSI a fee for the provision of these services. Such fee will be borne by the Adviser and will not be borne, directly or indirectly, by investors.

Finally, certain related persons of the Adviser are affiliated with and/or own interests in the TSPI Managing Member, which is considered a registered investment adviser and, as the managing member or allocation shareholder of the Investment Fund, is entitled to receive the performance-based compensation from the Investment Fund as discussed in Item 5 hereof.

The Adviser’s affiliates (as well as their respective principals and certain personnel) engage in a wide range of investment and other financial activities, many of which are not offered to the Funds (or investors therein). The growth of the Sightway Affiliates may increase competition between and among the Funds, clients of the Adviser’s affiliates and the Adviser’s affiliates themselves, and may decrease the number of investment opportunities available to the Funds and clients of the Adviser’s affiliates. Such competition creates inherent conflicts of interest among the Sightway Affiliates. Each of the Adviser and its affiliated SEC-registered investment advisers owes a fiduciary duty to its own clients to act in their best interests and manage the client’s assets

in accordance with the Fund Agreement and/or other pertinent investment guidelines, as applicable.

Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading

The Adviser has adopted a Code of Ethics (the “Code”) and certain other policies and procedures that obligate the Adviser and its supervised persons to put the interests of its client, *i.e.*, the Funds before their own interests and to act honestly and fairly in all respects in their dealings with the Funds. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. The Adviser will supply a complete copy of its Code to a client, prospective client, any Investor or prospective investor who requests a copy. Such requests should be made by contacting Scott Hendry, by email at scott.hendry@twosigma.com or by telephone at (646) 690-9612.

The Adviser and the Adviser’s supervised persons effect transactions for their own accounts in the same securities or other investments purchased or sold for the Funds. To ensure that trading by the Adviser’s supervised persons is conducted (i) in a manner that does not adversely affect the Adviser’s trading on behalf of the Funds and (ii) in a manner that is consistent with the fiduciary duties owed by the Adviser to the Funds, the Adviser has adopted the Code and attendant policies and procedures governing, among other things, transactions by the Adviser’s supervised persons and other “covered persons” (as defined in the Code). The Code and attendant policies and procedures contain provisions designed to, among other things, (i) prevent improper personal trading by the Adviser’s supervised persons and other covered persons; (ii) identify actual or potential conflicts of interest; and (iii) provide guidance in resolving certain actual or potential conflicts of which the Adviser is aware. To accomplish these objectives the Adviser is required under the Code and attendant policies and procedures to, among other things (i) require pre-clearance of personal trades in “reportable securities” (as defined in the Code) by the Adviser’s supervised persons and other covered persons; (ii) restrict the number of such trades by the Adviser’s supervised persons and other covered persons in a given month; (iii) prohibit certain trading by the Adviser’s supervised persons and other covered persons in securities of issuers listed on the Adviser’s, TSA’s and TSI’s “restricted list” (as defined in the Code); and (iv) generally, require minimum holding periods.

Such supervised persons and covered persons generally are prohibited from participating in “new issues.” Short selling is prohibited. The Adviser’s current personal trading policies limit the brokers that supervised persons can use for personal trading. All accounts that have the ability to hold securities and all holdings in reportable securities need to be disclosed upon joining the Adviser and confirmed and/or updated periodically thereafter.

The Adviser engages in principal transactions from time to time. When the Adviser and/or its affiliates engage in such transactions, the Adviser seeks to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act. For example, it is intended that Holdings will acquire new Fund Investments from the Investment Fund. Such acquisitions may constitute “principal transactions” within the meaning of Section 206(3) of the Advisers Act as the Investment Fund, an affiliate of the Adviser, will be acting as principal for its own account with respect to the sale of a security to Holdings. In connection with the anticipated subsequent transfers of assets from the Investment Fund to Holdings, the board of the Securitized

Assets Fund will establish the Conflicts Advisory Board that is responsible for reviewing and consenting on behalf of the Securitized Assets Fund to these transactions in accordance with the Section 206(3) requirements.

Holdings may also sell Fund Investments to the Investment Fund pursuant to and subject to the limitations contained in the pertinent investment management agreement. To the extent such dispositions could reasonably be deemed “principal transactions,” they will be submitted to the Conflicts Advisory Board.

The Adviser will endeavor to resolve conflicts with respect to Fund Investments in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances. Further, the Adviser will be prohibited under the pertinent investment management agreement from directing the disposition of Fund Investments to a Sightway Affiliate or any account managed by the Adviser, except (1) in a transaction conducted at no less than the greater of (x) the applicable adjusted NAV (as further specified in the offering circular) and (y) fair market value (as defined in the Indenture) and (2) in each case where the transaction otherwise complies with the requirements of the Advisers Act, to the extent applicable (including any required approval by the Conflicts Advisory Board).

As previously noted, the Investment Fund holds the equity interests in the Securitized Asset Fund, which also has investors who are Noteholders. Investments at different levels of an issuer’s capital structure or otherwise in different classes of an issuer’s securities, create conflicts of interest. For example, conflicts could arise where a Noteholder lends funds to the Securitized Asset Fund while the Investment Fund holds the equity. In this circumstance, for example, if the Securitized Asset Fund goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest would arise between the holders of different types of securities as to what actions the Securitized Asset Fund should take. Also, as described above under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss—Risks Related to the Notes—The Notes Are Subject to Redemption and Prepayment,” the Notes are subject to optional redemption. The Adviser will make determinations as to optional redemptions of the Notes without regard to the effect such redemptions may have on Noteholders.

There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Adviser and its affiliates, certain of which are described above under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss.”

The Adviser has also adopted policies and procedures regarding the receipt of gifts and business entertainment by the Adviser’s employees from certain third parties (*e.g.*, vendors, broker-dealers, consultants, etc.). Specifically, these policies and procedures require employees to report the receipt of gifts and business entertainment in excess of pre-established *de minimis* thresholds. The Adviser reviews these reports for any potential conflicts of interest with respect to individual instances of gifts or business entertainment, as well as patterns of the same over time, to seek to prevent employees from placing their own interests ahead of the interest of a Fund.

The Code and the Adviser’s other policies and procedures also address the following key areas: (i) recordkeeping; (ii) oversight of the Code; (iii) conflicts of interest; (iv) the treatment of confidential information; (v) compliance with SEC rules and regulations; and (vi) reporting

misconduct. Periodic training regarding the Code and the Adviser's other policies and procedures are provided to the Adviser's supervised persons. Additionally, policies and procedures related to, among other things, political contributions, gifts and business entertainment and outside business activities are located in the Adviser's compliance manual.

The Adviser may come into possession of certain information that it believes to be confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser may receive such information directly as a result of its investment advisory activities for a Fund, indirectly as a result of its relationship with affiliates including, but not limited to, TSA, TSI, TSIS and TSS, or through other activities such as strategic partnership negotiations or an employee's board or credit committee service. The Adviser will have no responsibility or liability to the Funds for not disclosing such information to the Funds (or the fact that the Adviser possesses such information), or not using such information for a Fund's benefit, as a result of following the Adviser's policies and procedures which are designed to provide reasonable assurances that it is complying with applicable law.

Item 12. Brokerage Practices

The Adviser focuses primarily on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to investors in the Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser expects to consider a variety of factors, including, among others: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not currently make use of such services and has not made use of such services since its inception.

In connection with the Adviser’s private company securities transactions on behalf of a Fund, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the Fund and/or its portfolio companies. In determining to retain such parties, the Adviser expects to consider a variety of factors, including, among others: (i) execution capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and a Fund may not pay the lowest commission or fee for such services.

Item 13. Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which each Fund invests, and such companies are subject to supervision and review by the Adviser's investment professionals.

Each Fund generally will provide to its investors annual audited financial statements prepared in accordance with GAAP and quarterly unaudited financial statements.

Item 14. Client Referrals & Other Compensation

The Adviser does not currently compensate or have any arrangement to compensate any person for client referrals.

Item 15. Custody

The Adviser and certain of its affiliates are generally deemed to have custody of the Funds' assets and, where applicable, intend to comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule") by meeting the conditions of the pooled vehicle annual audit provision.

Item 16. Investment Discretion

The Adviser has discretionary authority to manage investments on behalf of the Investment Fund and the Securitized Asset Fund pursuant to the terms of the investment management agreement with these Funds and the powers of attorney executed by each Fund's equity investors. The Adviser has non-discretionary authority to manage investments on behalf of Holdings pursuant to the terms of the investment management agreement with Holdings and the power of attorney executed by the Securitized Asset Fund and pursuant to the terms of the Indenture.

Item 17. Voting Client Securities

When the Adviser votes proxies regarding the Funds' investments, the Adviser has adopted proxy voting policies and procedures that require such proxies to be voted in accordance with the Adviser's determination of the best interests of the pertinent Fund. Because few of its investments are in publicly traded securities, the Adviser does not receive a large number of proxy solicitations in connection with such securities, and the proxy solicitations it does receive are generally of a bespoke nature.

In addition to proxy solicitations in connection with the equity securities of traditional public operating companies, "voting client securities" is deemed to include similar consents regarding private companies and consents requested in matters concerning a client's investment such as bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities. As noted above, the Adviser's general policy is to vote proposals, as well as amendments, consents or resolutions relating to a Fund's securities (including interests in private investment funds) in a manner that serves the best interests of the pertinent Fund. In some circumstances, the Adviser will refrain from voting client securities where the Adviser believes, among other potential reasons, that voting would be inappropriate, taking into consideration the cost of voting the securities, the anticipated benefit to the pertinent Fund, whether that Fund continues to hold the securities on the voting date, or where the Adviser believes that resolution is not relevant to the value of the investment.

Noteholders in the Securitized Assets Fund are entitled to certain voting rights in respect of their Notes as specified in the Indenture. Such voting rights do not pertain to the investments of the Securitized Assets Fund but to the matters specified in the Indenture.

If a material conflict of interest between the Adviser and a Fund exists regarding the voting of client securities, the Adviser will take reasonable steps to address the conflict, including consulting with outside counsel as the Adviser, in its sole discretion, determines necessary or advisable, to ensure that the conflict does not influence the decision to vote in a manner that is not in the best interest of the Adviser's clients.

An Investor may obtain (i) a copy of the Adviser's proxy voting policies and procedures and (ii) information on how the Adviser voted proxies for the pertinent Fund by contacting the Adviser at (646) 392-7557.

Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.