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**CRD#288592**

<b>ADV Part 2A: Firm Brochure</b>
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February 2019

This brochure provides information about the qualifications and business practices of Glide Capital, LLC (“Glide”). If you have any questions about the contents of this brochure, please contact Mark Fitzpatrick, Chief Compliance Officer, at (305) 539-3850 or [mark@glideplatform.com](mailto:mark@glideplatform.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Glide Capital, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about Glide is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### ITEM 3. ADVISORY BUSINESS

Glide Capital, LLC (“**Glide**”), a limited liability company organized under the laws of the State of Florida, serves as the Managing Member or Fund Manager for certain private investment pools (collectively, the “**Funds**”), and their respective segregated portfolios (collectively, the “**Segregated Portfolios**”). The office of Glide is located at 3323 NE 16rd Street, Suite 305, Miami, Florida, 33131, and its telephone number is (305) 539-3850. The principals of the Managing Member are Mark Fitzpatrick, David Guenoun and Alberto Siblesz (the “**Principals**”).

Glide partners with wealth managers, family offices, institutions and other allocators to custom build portfolios of private credit and other income producing strategies. Glide’s experienced team performs due diligence on funds within these industries then partners with wealth managers to build a portfolio tailored to the specific needs of their firm. Our wealth manager clients are able to easily brand a private credit portfolio for their firm that is well diversified and researched as they leverage our manager sourcing, due diligence, research, portfolio building, legal structure, operations and our experienced team.

Glide reviews hundreds of funds and loan origination firms specializing in the private credit industry before selecting our top investment opportunities for our clients. Our team has over three decades of combined experience in analyzing and performing due diligence on funds and in operating private vehicles. Our wide range of industry contacts provide us with a constant flow of new opportunities to evaluate across multiple strategies including small business, real estate, consumer, aviation leasing, auto leasing, life settlements and many other lending strategies. Glide partners with our clients to build and operate a customized portfolio (“the Portfolios”) where Glide provides the infrastructure and fund management services, while our clients direct the portfolio in an advisory capacity.

Glide provides fund management services for two offshore entities – Glide Fund SPC Ltd. and Glide Master Fund SPC Ltd – and is also the Managing Member for two onshore entities – Glide Fund Series LLC and Glide Master Fund Series LLC (collectively, “**the Funds**”). As Fund Manager or Managing Member, Glide (i) performs operational due diligence on certain investment opportunities into other funds and managers (ii) creates a segregated portfolio or segregated series (iii) partners with wealth managers, family offices, institutional investors and other allocators (collectively, “**the Segregated Portfolio Advisors**”) to build customized portfolios (iv) makes available web-based analytical tools to certain Segregated Portfolio Advisors, investors or prospects; and (v) works with third party service providers (administrators, auditors, tax preparers, etc.) to operate the portfolio and provide monthly NAVs, audits and other reports to the investors.

Glide is the Fund Manager that delegates the investment advisory authority with respect to each Portfolio to the Segregated Portfolio Advisor. The Segregated Portfolio Advisors have full investment discretion over their portfolio and the investors select the Segregated Portfolio they wish to invest into, along with the Segregated Portfolio Advisor, at the time of subscribing into the Fund. The Segregated Portfolio Advisor will be responsible for determining the allocation of their Portfolio’s assets among the investment opportunities presented in the Master Fund and will be responsible for managing the risk and liquidity of their Segregated Portfolio, based on the needs of the investors they permit into their Segregated Portfolio. The investment strategy of each Segregated Portfolio are described in detail in the applicable Segregated Portfolio Supplement. From time to time, Glide may also act as the Segregated Portfolio advisor for certain Segregated Portfolios.

Glide has recently established a division named Altytude Advisors (“**Altytude**”) which combines Glide’s turnkey private debt portfolio building infrastructure with a team that specializes in EB-5 deployment. Altytude works with regional centers and other EB-5 allocators to build a customized portfolio of real estate lending managers to those who require an experienced program manager to extend their eligibility and manage the assets in the program for the short to medium term. Altytude does not have any assets at February 28, 2019.

Glide Fund SPC Ltd. (“**the Offshore Fund**”) and Glide Master Fund SPC Ltd. (“**the Offshore Master**”) were incorporated under the BVI Business Companies Act of 2004 as a Segregated Portfolio Company limited by shares, on August 7, 2015 with company registration number 1885561. The Fund is a "professional fund" within the meaning of the Securities and Investment Business Act, 2010 ("**SIBA**") and, accordingly, shares in the Fund are only being offered to and will only be issued to "professional investors" within the meaning of SIBA. The Fund is a single corporate entity with the benefit of statutory segregation of assets and liabilities between segregated portfolios, each of which is referred to in this document as a “**Segregated Portfolio**”. The segregated portfolio shares issued by the Offshore Fund are generally only available to non-US investors and US non-taxable investors. The Offshore Fund aggregates investors through its Segregated Portfolio and then invests all its capital into the Offshore Master.

Glide Fund Series LLC (“**the Onshore Fund**”) and Glide Master Fund Series LLC (“**the Onshore Master Fund**”) were formed on May 7, 2015 as a Delaware series limited liability company, with segregated series. The Fund is a single corporate entity with the benefit of statutory segregation of assets and liabilities between segregated portfolios, each of which is referred to in this document as a “Segregated Portfolio”. The segregated portfolio interests issued by the Onshore Fund are generally only available to US taxable investors. The Onshore Fund aggregates investors through its Segregated Portfolios and then invests all its capital into the Onshore Master. The Onshore and Offshore Master creates segregated series for each investment opportunity (“**the Master Portfolios**”).

Glide was formed in 2013. Glide’s principal owners are Mark Fitzpatrick, David Guenoun, Alberto Siblesz and Esteban Tome. Glide is registered with the Securities and Exchange Commission (“SEC”). The mere fact that an advisor is registered with the SEC does not imply any particular level of skill or training.

As of December 31, 2018, Glide managed approximately \$273,000,000 in assets, all non-discretionary.

Capitalized terms not defined in this document are as defined in the Funds’ offering documents.

#### ITEM 4. FEES AND COMPENSATION

The Segregated Portfolios will pay quarterly management fees to Glide for providing fund management services, as described in the offering documents of the Funds. The Management Fees charged to the Segregated Portfolios will typically range from 0.70% to 1.20% depending on the type and size of the Segregated Portfolio. Glide charges management fees as follows:

ASSET LEVEL OF PORTFOLIO	ANNUAL MANAGEMENT FEE
Portfolios under \$10 million	1.20%
Portfolios between \$10-15 million	1.10%
Portfolios between \$15-20 million	1.00%
Portfolios between \$20-25 million	0.90%
Portfolios between \$25-30 million	0.80%
Portfolios above \$30 million	0.70%

Fees are accrued monthly and typically paid quarterly in arrears, as described in the offering documents for the Funds. The fees described above are typical, but certain strategic clients may be charged different fees.

#### ITEM 5. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Glide only charges a management fee and does not charge a performance fee for their fund management services. Glide may provides fund management services to wealth managers, family offices, institutions and other allocators through our Private Funds. In situations where Glide acts as the Portfolio Advisor on the Segregated Portfolio, Glide may or may not charge a performance fee.

#### ITEM 6. TYPES OF CLIENTS

Glide provides fund management services to wealth managers, family offices, institutions and other allocators through our Funds. Glide may perform advisory services on certain Segregated Portfolios. All investors into the Funds must be “accredited investors”.

#### ITEM 7. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

##### **Investment Objective.**

The overall investment objective of the Fund with respect to the various Segregated Portfolios is to allocate capital to best-in-class investment managers in order to provide superior risk-adjusted returns to investors.

**Investment Strategy.** To achieve this investment objective, the assets of each Segregated Portfolio are invested by the relevant Segregated Portfolio Advisor in the separate Master Portfolios of the Master Fund according to a particular investment strategy as set forth in the relevant Portfolio Supplement.

The Fund is designed to permit investors to participate in the growth of the private lending industry, the real estate industry and other non-traditional investment strategies through a unique solution that provides access to best-in-class funds (“the **Underlying Managers**”). The strategies employed by the Underlying Managers within the private lending industry will be concentrated in, but not limited

to, commercial and small business lending, hard money real estate lending, consumer lending, tax liens, life settlements, and other lending and specialty finance strategies. The strategies employed by the Underlying Managers within the real estate industry will be concentrated in, but not limited to, both short-term and long-term debt and equity investments in real estate properties. The strategies employed by the Underlying Managers within the other traditional investment strategies will be concentrated in, but not limited to, high yield trading, Electronic Trading Funds (ETF) strategies and other liquid investment strategies designed to provide a fixed income or other trading strategy which may be deemed a short-term “cash alternative” investment strategy.

The Fund Manager sponsored the formation of the Funds to provide investors with access to specialty lending strategies, real estate and other investment strategies that may not generally be available as a result of the time effort and expense required to make such investments with appropriate due diligence and ongoing monitoring. The Fund Manager has, with respect to the Underlying Managers, taken on the responsibility of initial due diligence and the negotiation of capacity, fees, liquidity and other investment terms. However, each Segregated Portfolio Advisor is responsible for conducting such additional due diligence as such Segregated Portfolio Advisor determines necessary to ensure that the Master Portfolios are appropriate investments for the investors of the applicable Segregated Portfolio.

The Fund provides investors with an efficient, centralized vehicle to accommodate easier access to performance and information reporting across various Underlying Managers. Additionally, through a password protected portal on the Fund Manager’s website (the “**Glide Member Portal**”), investors can easily access detailed information about the Underlying Managers, model portfolio allocation methodologies, and other web-based analytical tools to inform and track their investments through each Segregated Portfolio.

Each Segregated Portfolio is directed by a Segregated Portfolio Advisor which is a firm or individual that has agreed to undertake the investment advisory responsibility with respect to such Segregated Portfolio under a delegation of investment advisory authority from the Fund Manager with respect to such Segregated Portfolio. Each Segregated Portfolio Advisor will determine the allocation of the applicable Segregated Portfolio’s assets among the Master Portfolios and will be responsible for monitoring such Segregated Portfolio’s investments in accordance with the stated strategy and objectives of such Segregated Portfolio. The Segregated Portfolio Advisor will be responsible for managing the risk and liquidity of the applicable Segregated Portfolio and for rebalancing the assets of the Segregated Portfolio’s among the Master Portfolios and any other permitted investments. The investment strategy of each Segregated Portfolio and details of the Segregated Portfolio Advisor are described in detail in the applicable Portfolio Supplement.

Except as otherwise provided herein or in the relevant Portfolio Supplement or Master Portfolio Supplement, each Master Portfolio will typically invest into a single Portfolio Fund upon the terms of the offering documents and other governing documents applicable to such Portfolio Fund (in each case, the “**Portfolio Fund Agreements**”) pursuant to which the applicable Master Portfolio will become an investor in such Portfolio Fund and the Underlying Manager will have the authority to invest and trade the assets of the Master Portfolio alongside other third-party investors in such Portfolio Fund. Except as otherwise provided herein or in the relevant Portfolio Supplement or Master Portfolio Supplement, in the event that a Portfolio Fund is one or more accounts in the name of a Master Portfolio, such Master Portfolio shall be the only investor in such Portfolio Fund. The Portfolio Supplement of each Segregated Portfolio will include information about the strategies in which the Segregated Portfolio is invested or the Segregated Portfolio Advisor expects to invest. The

Glide Member Portal will contain more specific information about the strategy of each Segregated Portfolio, which may include information summarizing terms or disclosures contained within the applicable Portfolio Fund Agreements. When possible, the Fund Manager will negotiate with Underlying Managers on behalf of the Master Portfolios for more advantageous terms relative to the Portfolio Fund Agreements, and the Fund Manager may cause a Master Portfolio to enter into a “side letter” agreement with an Underlying Manager or Portfolio Fund to memorialize any negotiated terms.

### **Underlying Strategies**

Certain trading styles and strategies that may be employed by the Underlying Managers are summarized below. The following list is not intended to be an exhaustive list, and the Fund Manager and the Underlying Managers retain full discretion with respect to the types of strategies employed. Please see the relevant Portfolio Supplement or the Offering Documents for the Underlying Manager for an additional description of a Segregated Portfolio investment strategy. In addition, please see the relevant Master Portfolio Supplement for a description of a Master Portfolio’s investment strategy.

### **Private Lending strategies:**

Private Lending is a method of debt financing that enables investors to lend money to borrowers without the use of a bank or other financial institution as an intermediary. Private Lending involves private individuals, or entities, lending their investment capital to borrowers, while typically securing their loan with a deed of trust, recorded against the borrowers’ real property. Private Lending is a niche market for borrowers and/or properties that do not meet conventional institutional lending requirements.

If carefully underwritten with conservative loan-to-value ratios, private lending offers a built-in safety net of protective equity, should the borrower ever default. Generally speaking, private loans are short-term in nature, and provide highly favorable returns to investors who participate but loans can also be longer term in nature, and sometimes offer a warrant or “equity kicker” to better align the borrower and lender.

Historically, Private Lending has been a fragmented, “mom and pop” industry, in which a specialist in a particular type of lending carefully analyzes the borrowers’ credentials, their business plan and, most importantly, the underlying collateral. The lender typically has an expertise within a certain type of lending and will be better equipped than traditional lenders to take over the underlying collateral in case of default.

Private lending can be broken down into such categories as small business lending, real estate lending, consumer lending, life settlements, tax liens, factoring, auto financing, equipment leasing, student loan financing and other private lending. The Private Lending industry can be further broken down into how these loans are sourced. Some funds will source and originates loans themselves, while others will evaluate the loans originated by the growing number of marketplace lending platforms (each a “Lender Platform” and together the “Lender Platforms”) which are generally not government regulated in the ways banks are (See “Risk Factors -- Risks Relating to Investments in Notes and Other Loans”).

While the reduction in regulation potentially creates more risk, it also makes the Lender platforms somewhat nimbler, enabling them to operate at lower costs by avoiding certain compliance and regulatory requirements. Lender Platforms have also utilized new technology and digital



infrastructure to innovate and disrupt the way borrowers access credit. A focus of some of the Underlying Managers is the purchase of short-term loans and debt obligations (“Notes”) originated by one or more Lender Platforms.

The industry has expanded in recent years, as traditional lenders have tightened their lending requirements and forced credit-worthy borrowers or those with lower credit scores but good collateral to look elsewhere for their financing needs. Glide believes there exists enormous opportunity to invest into this fragmented industry and bring to it an institutional level of sophistication and diversification while providing investors outsized risk-adjusted returns.

### **Private Real Estate strategies:**

Private real estate is an asset class consisting of equity and debt investments in property. Investments typically involve an active management strategy ranging from moderate reposition or releasing of properties to development or extensive redevelopment.

Debt investing is vastly different than equity investing. Debt investing focuses on mitigating risk at every turn in order to maximize the probability of earning a fixed rate of return and collecting specified fees.

Conversely, equity investing seeks multiple avenues of potential upside to compensate for the downside risk of illiquidity and market volatility within the real estate industry.

Real estate debt funds were born, for the most part, out of the aftermath of the financial crisis. During 2009 - 2010, while banks remained paralyzed and failed to provide any sort of debt liquidity, private lenders emerged to fill the void left by traditional lenders. Private lending has grown every year since and is now a major industry. The critical distinction from an equity investment is that the debt investment is a loan with a fixed interest rate that is backed by a hard asset as collateral. By lending only up to a certain percentage of the initial value of the hard asset, the integrity of the debt investment is insulated from asset value declines up to the full amount of pledged equity. Real estate direct lending funds are pools of private capital that have mandates to originate senior real estate collateralized loans for qualified borrowers. Generally, most are structured to execute a specific loan strategy or investment thesis. Real estate direct lending funds make money on the interest rate or lending rate they charge over the course of a loan. They also charge fees over the life cycle of the loan, which may include origination fees, exit fees, early termination fees and extension fees. Investors have the ability to participate in all of those fees, in addition to the interest coupon, as a return on their principal investment.

Private equity real estate is a longer-term strategy which participates in the equity of a real estate strategy. Private equity real estate managers typically seek to acquire high quality investments at discounts to replacement cost and seek to improve the value of the properties or reduce the “cap rate” through hands-on management and targeted value-add initiatives. They seek solid returns in strategies such as office, retail, hotel, industrial and residential properties. Private equity real estate managers are very active in turning around properties but the strategy may take multiple years and is anticipated to have more volatility than debt strategies.

### **Other Trading Investment Strategies**

The strategies employed by the Underlying Managers within the other traditional investment strategies will be concentrated in, but not limited to, high yield trading, Electronic Trading Funds



(ETF) strategies, preferred share trading and other liquid investment strategies designed to provide a fixed income or other trading strategy which may be deemed a short-term “cash alternative” investment strategy.

The Segregated Portfolio Advisor for each Segregated Portfolio will have complete discretion to determine the Underlying Managers which are a part of the Segregated Portfolio. The Glide web portal provides information on each Underlying Manager and their strategy (e.g. Offering Memorandum or Segregated Portfolio Supplement) to the Segregated Portfolio Advisor. Investors will make the choice of which Segregated Portfolio they wish to invest into.

The descriptions contained herein of specific strategies that are or may be engaged in by the Segregated Portfolios should not be understood as in any way limiting a Segregated Portfolio’s investment activities. Each Segregated Portfolio may also engage in investment strategies not described herein that the Fund Manager considers appropriate, including those strategies set forth in the relevant Portfolio Supplements.

**No Assurance.**

There can be no assurance that the Fund Manager, the Segregated Portfolio Advisor or any Underlying Manager will be successful in achieving the Segregated Portfolio’s investment objective or that the strategies set forth herein will be successful. Further, some of the investment approaches of the Segregated Portfolios, including the possible use of leverage, short sales, and derivatives, can have the effect of compounding a negative development in the investment portfolio. It should be noted that one or more Segregated Portfolios may be profitable when one or more other Segregated Portfolios is at a loss.

While the foregoing description of the various investment strategies reflects its current intentions with respect to current market conditions, Glide and/or an applicable Portfolio Advisor or investor into a self-directed Portfolio may vary those objectives and strategies to the extent it determines that doing so will be in the best interests of the relevant Funds, Portfolios or investors.

**Risk Factors**

The value of interests in the Funds may fluctuate upwards as well as downwards and investors may not get back the amount originally invested. Accordingly, an investment in the Funds should only be made by persons who are able to bear the risk of substantial or even total loss of the capital invested. The Funds’ performance may be affected by legal, regulatory and tax requirements in the countries in which it invests.

Set forth below are certain factors which should be taken into consideration before making a decision to subscribe for interests in the Funds. While Glide believes the following to be comprehensive, it is not intended to include all of the factors relating to the risks which may be encountered. These risks should also be read to apply to the Portfolios, Master Funds, Other Funds and Managers and Portfolio Advisors, as applicable.

**Certain Risks of Other Funds and Managers**

Since the Funds currently intend, but are not required, to invest substantially all of their assets in Other Funds and Managers through the applicable Master Funds, certain risks accompany such a "manager of managers" or "fund of funds" approach to investing.

*Inconsequential Effect of Manager of Managers Investing.* While use of a manager of managers' approach may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, it will increase, rather than reduce, potential net profits. The Funds may invest a substantial portion of its assets with a limited number of Other Funds and Managers, which may result in minimal diversification. Also, the use of the fund of funds approach may cause the Funds indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment. The diversification that may be afforded by the fund of funds approach may not insulate investors against major disruptions or turmoil in the global financial markets generally, which could result in some or all of the underlying investment vehicles suffering substantial losses simultaneously.

*Certain Other Funds and Managers Not Registered.* Certain Other Funds and Managers invested in by the Funds will not be registered, as applicable, under neither the Investment Company Act of 1940 (the "Company Act") or the Investment Advisers Act of 1940 (the "Advisers Act") (or any other similar laws). The foregoing acts provide certain protections to investors and impose certain restrictions on registered investment companies and registered investment advisors, none of which may be applicable to any Other Funds and Managers invested into by the Funds.

*Lack of Operating Histories.* Some of the Other Funds and Managers may also be recently organized and have no operating histories upon which the Funds may evaluate their possible performance.

*Indirect Exposure to Leverage (i.e. margin).* Regardless of whether the Funds utilize leverage, investors may indirectly be exposed to the use of leverage through the Funds' investments in Other Funds and Managers. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by certain Other Funds and Managers. In as much as its Other Funds and Managers are likely to employ a very high degree of leverage in their investment operations, the Funds and their investors will be subject to substantial risk of loss. With volatile instruments, downward price swings can result in margin calls that could require liquidation of investments at inopportune times.

*Lack of Diversification in Other Funds and Managers.* Some of the Other Funds and Managers that the Funds may invest in may concentrate their investments in only a few securities, industries or countries. Accordingly, concentration by the Funds' individually owned Other Funds and Managers, if any, may cause a proportionately greater loss than if such Other Funds and Managers' investments had been spread over a larger number of investments.

*Proprietary Investment Strategies of Other Funds and Managers.* Certain Other Funds and Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Glide. These strategies may involve risks under some market conditions that are not anticipated by Glide or the Other Funds and Managers. Certain Other Funds and Managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. The investment niche, arbitrage opportunity or market inefficiency employed by such Other Funds and Managers may become less profitable over time as such Other Funds and Managers and competing asset managers or investors manage a larger group of assets in the same or similar manner or market conditions change. The strategies employed by Other Funds and Managers may involve significantly more risk and higher transaction costs than more

traditional investment methods. It is possible that the performance of Other Funds and Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to the Funds and its investors.

*Access to Information.* If invested in any Other Funds and Managers, the Funds may receive periodic reports at the same time as, and containing the same information provided to, any other investor in such Other Funds and Managers. Glide may make requests for additional, more detailed information from such Other Funds and Managers, but there can be no assurance that any such additional information will be provided. In addition, information received by the Funds with respect to such Other Funds and Managers may be subject to confidentiality restrictions. This potential lack of access to information may make it more difficult for Glide, a Portfolio Advisor or the investor, as applicable, to select, allocate among and evaluate such Other Funds and Managers. Such lack of access may also impact Glide's ability to value the Fund's assets.

*Investment Program.* The past investment performance of the Other Funds and Managers with which the Funds may invest its assets may not be construed as an indication of the future results of an investment in the Funds. The Funds' investment program should be evaluated on the basis that there can be no assurance that assessments by Glide, a Portfolio Advisor or an investor into a self-directed Portfolio, to the extent applicable, of the Other Funds and Managers, and in turn their assessments of the short-term or long-term prospects of investment, will prove accurate or that the Funds will achieve its investment objective. *Illiquid Investments.* The ability of the Funds to redeem all or part of their investment from Other Funds and Managers is generally limited to a quarterly, semi-annual or annual (or longer) basis depending upon the investment, and may be subject to lock-ups and additional restrictions (including possible redemption fees) imposed by the investment managers of such Other Funds and Managers. The Funds may be unable to make redemption payments to investors to the extent it has invested in such Other Funds and Managers that do not permit redemptions, will not honor the Funds' redemption requests or that have invested in or distributed to the Funds a side pocket or illiquid investment. In such event, in the sole and absolute discretion of Glide, payment to such redeeming investor of the portion of the investor's requested redemption attributable to such side pocket or illiquid investment will be delayed until such time as such Other Funds and Managers, or the Funds, disposes of such side pocket or illiquid investment. In order to make redemption payments to investors, the Funds may be required to liquidate all or a portion of its investment in such Other Funds and Managers at a time when it may be subject to a redemption fee or penalty or at a time when it might not otherwise wish to effectuate such liquidation.

*Lack of Management Control by Investors and by Glide as Fund Manager.* Glide as fund manager will generally have no right to participate in the management, control or operation of Other Funds and Managers that are private investment vehicles or to remove their respective managers.

*Multiple Levels of Expense.* To the extent that the Funds invest in Other Funds and Managers, the Funds will bear additional costs and expenses in addition to the Funds' own expenses, management Fee, and performance allocation or performance fee (if applicable). Such Other Funds and Managers will charge their own advisory fees (which may include both management fees and performance fees) and expenses. A specific Other Fund and Manager will receive any performance fees to which it is entitled irrespective of the performance of any of the Other Funds and Managers generally. Accordingly, a specific Other Fund and Manager with positive performance may receive compensation from the Funds even if the Funds' overall returns are negative. As a result of all of the foregoing, the Funds, and indirectly investors in a given Portfolio, will bear multiple levels of expense, which, in the

aggregate, will exceed the expenses that would typically be incurred by an investment with a single investment pool or investment manager.

*Investments in Passive Foreign Investment Companies.* To the extent any of the Other Funds and Managers are, or invest in stock of non-U.S. corporations that are, classified as passive foreign investment companies ("PFICs"), U.S. investors will be subject to special rules with respect to the Funds' or its Other Funds and Managers' interest in such PFICs. In this regard, gain (but not loss) recognized upon the sale, exchange or redemption of an equity interest in a PFIC would be treated as ordinary income, and, in addition, a portion of the distributions received with respect to such equity interest could, and any gain realized from the sale, exchange or redemption of such interest would, be subject to the tax imposed on excess distributions under the PFIC provisions of the Internal Revenue Code of 1986, as amended (the "Code").

*Investing in Master-Feeder Structures.* A "master-feeder structure" consists of one or more funds ("feeder funds") that invest substantially all of their assets into a master fund (a "master fund"), which is a vehicle utilized to pool assets of multiple feeder funds in order to attempt to optimize each feeder fund's portfolio. The Funds and their respective Master Funds are master-feeder structures and also may invest in Other Funds and Managers that utilize master-feeder structures. Therefore, any interest of the Funds in the assets of a master fund is indirect an interest in a feeder fund.

Feeder funds and master funds bear additional costs and expenses. As a result, the Funds, and indirectly investors in the Funds, when investing in a master-feeder structure, will bear multiple levels of expense, which in the aggregate will exceed the expenses which would typically be incurred by an investment with a single investment pool. However, the Funds will generally only be charged one management fee and performance fee when investing in a master-feeder structure, which will generally occur at the feeder fund level and not at the master fund level. However, investors will be exposed to management fees and performance fees or performance allocations at both the Funds and, indirectly, feeder fund levels of such Other Funds and Managers.

Other investors in a master fund may be much bigger than the feeder fund in which the Funds will invest, and alone or collectively may acquire sufficient voting interests at such master fund's level to control matters relating to the operation of such master fund, or may redeem from such master fund, which may result in a less diversified portfolio of investments and could indirectly adversely affect the liquidity and performance of the Funds' investment in the feeder fund. Additionally, other investors in a master fund may have competing interests with the feeder fund in which the Funds may invest. In light of such other investor's competing interests, the master fund may make investment and other decisions at times that are adverse or not as favorable to the interests of the Funds' feeder fund.

There may be additional factors in making investments or entering such transactions which may also cause significant delays, during which a master fund's capital will be committed and interest charges on any funds borrowed to finance the master fund's investments may be incurred.

There is no assurance that the Funds' indirect interest in a master fund by investing in a feeder fund will result in superior performance to that which would have been achieved without the use of a master-feeder structure.

Any interest in a master fund is illiquid and may not be freely transferable, which may affect the feeder fund, and ultimately, the Funds.

The foregoing master-feeder risks should be read equally as applicable to the Funds' own investment in their respective Master Fund (i.e. the Fund's master-feeder structure) in addition to the Funds' investment in third party master-feeder structures of the Other Funds and Managers.

#### Other Business Risks

*Speculative Nature of the Funds' Investment Program.* Prospective investors should be aware that each investment program is speculative and involves a high degree of risk. The investment strategies utilized by the Funds cannot provide any assurance that one or more of the Portfolios will not be exposed to risks of significant investment and trading losses.

The performance of the Portfolios will depend on the efforts of Glide and the Other Funds and Managers selected by the Portfolio Advisor or an investor into a self-directed Portfolio. The return of any one of the Other Funds and Managers is impacted by the ability of such Other Funds and Managers to successfully apply its investments techniques to generate profits for such fund. The volatility of the Funds will depend on the nature of the Funds' exposure to investments. There can be no assurance that the Funds, the Portfolios or their respective investors will achieve their objectives or avoid substantial losses.

*Not a Complete Investment Program.* The Funds may be deemed a speculative investment and are not intended as complete investment programs. The Funds are designed generally for institutional investors and other accredited investors who are able to bear the risk of loss of their entire investment in the Funds.

*Securities Risks in General.* The Funds will be investing for the most part, in securities (including the Other Funds and Managers) which generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. Furthermore, the Funds are not subject to a specific percentage limit on any particular industry or issuer. Some of these issues may have small capitalizations, limited operating histories, limited following from Wall Street brokerage firms and may be vulnerable to competition from much larger companies. In addition, trading in small issues may be difficult due to liquidity issues.

*General Economic and Market Conditions.* The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Funds' investments.

*Overconcentration/Lack of Diversification.* Portfolios may be constructed in a manner which results in a high concentration in certain strategies, positions or Other Funds and Managers. Portfolios that are less diversified typically result in more rapid change in value than would be the case if the class were required to maintain a wide diversification among strategies, positions or Other Funds and Managers. Glide and the Funds do not encourage highly concentrated Portfolios but it is the responsibility of the Portfolio Advisor or an investor into a self-directed Portfolio, as applicable, to continually monitor and determine if the Portfolio in the Fund is appropriate within the overall context of the investor's portfolio and given the risk tolerance of the investor. Also, the use of the fund of funds approach may cause a Portfolio indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment. The diversification



that may be afforded by the fund of funds approach may not insulate investors against major disruptions or turmoil in the global financial markets generally, which could result in some or all of the underlying investment vehicles suffering substantial losses simultaneously.

*Exposures.* The Master Funds separate their assets into segregated portfolios, also known as “Exposures,” which are targeted by the respective Portfolios of the Funds. The objective of each Exposure is to target typically one of the Other Funds and Managers. Due to the nature of the construction of the Exposures, the performance of the Exposures created by Glide in the Master Fund will vary from that of the intended target. Some of these differences will be temporary in nature and others may be permanent. Glide will make best efforts to replicate the returns and liquidity of the intended target but there are no assurances that it will be successful and the differences could be material. While Glide will attempt to align the liquidity within the Exposure, redemptions by other investors within the Exposures could negatively impact the overall liquidity and performance of the Exposure. In addition, the availability of Exposures may be limited and the Funds have the right to liquidate the Exposures without prior notice to investors.

*Restricted Securities; Lack of Liquidity.* Interests in the Funds are restricted securities, and are subject to substantial restrictions on transferability. In addition, the Funds do not anticipate a secondary market for the interests and, consequently, holders of interests may not be able to dispose their interests, except as disclosed in the redemption terms for their Portfolio. Certain notice periods and requirements must be met before investors may redeem their interests. The risk of any decline in the capital account values during the period from the date of notice of redemption until the redemption date will be borne by the holders of the interests requesting redemption. The Funds have the power to suspend redemptions of a certain Portfolio or to compulsorily redeem at its discretion in certain circumstances.

The Funds may be unable to make redemption payments to investors of a certain Portfolio to the extent it has invested with a Other Fund and Manager or other security that does not permit redemptions, will not honor the Funds’ redemption requests or that has invested in or distributed to the Funds an asset which is not readily marketable. In such event, in the sole and absolute discretion of the Funds, payment to such redeeming investor of the portion of his requested redemption attributable to such illiquid asset will be delayed until such time as the Other Funds and Manager in which the Funds have invested, or the Funds themselves, dispose of such illiquid asset.

*Swaps.* The Funds may enter into swap agreements with bona fide counterparties or other funds, including related Funds. The swap agreements may be entered into directly by a Fund, a Portfolio or through a Master Fund, at the discretion of Glide. These swaps are contracts to buy, sell or exchange a portion of the profits or losses of an investment owned by another party. Accordingly, the Funds and certain Portfolios may have investment risk exposure not only with respect to its assets, but also as to certain assets owned by others to the extent the Funds and Portfolios participate in swaps.

*Leverage.* The Funds may utilize leverage. The use of leverage increases the potential for return or loss and increases the volatility of the Portfolios. Leverage can be obtained in many formats, including buying and selling securities on margin, borrowing funds, investing in options, futures and warrants, engaging in short sales and otherwise utilizing leverage. There is no self-imposed limit on the amount of leverage that the Funds can borrow.

*Counterparty Risk; Financial Difficulties of Institutions and Custodians.* Some of the instruments in

which the Funds' assets may be invested may be traded in markets in which performance will be the responsibility only of the individual counterparty and not of an exchange or clearinghouse. In these cases, the assets will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

There is the possibility that institutions, including brokerage firms and banks with whom the Funds or Other Funds and Managers do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the fund or account managed by the Funds or Other Funds and Managers.

*Performance-based Compensation.* Performance allocations (or performance fees) may be applicable to certain Portfolios of the Funds or to classes within such Portfolios. This fee structure may create an incentive to make investments that are riskier or more speculative than would be the case if Glide was only paid a fixed fee.

In addition, because the applicable performance allocation (or performance fees), if any, is calculated on a basis that includes unrealized appreciation of the Funds' assets, it may be greater than if such allocation was based solely on realized gains. In addition, Glide's investment in the Funds may be relatively small, so that the Funds may make riskier investments than would otherwise be the case.

*Length of Operations.* There can be no assurance that the Funds or the Other Funds and Managers will achieve their investment objectives. The past investment performance of the Funds, Other Funds and Managers, and/or Glide and its principals or entities with which they have been associated may not be construed as an indication of the future results of an investment in the Funds. The Funds' investment program should be evaluated on the basis that there can be no assurance that the short-term or long-term prospects of investments will prove accurate.

*Residence.* The Offshore Fund and the Offshore Master are organized and have their principal business office in the British Virgin Islands ("BVI"). The books and records of the Offshore Funds and the Offshore Master will be maintained in the BVI and will not generally be available for inspection by investors except at such Funds' or Master Funds' office in the BVI. The BVI organization and residence of the offshore Funds may make it more difficult for investors to enforce their legal rights than if such Funds were organized and resident in a major capital market country such as the United States. It is unlikely that the BVI courts would accept jurisdiction over claims based on the violation of the securities laws of the United States or other countries. Therefore, it may be difficult for an investor to enforce his rights under his home country's investor protection laws against the offshore Funds. The offshore Funds will also incur U.S. withholding taxes and other costs which would not be applicable with respect to U.S. investors if such Funds were organized and had their principal place of business in the United States.

*Absence of Regulatory Oversight.* The Funds have not been registered under the U.S. Securities Act in reliance on the exemptive provisions of Section 4(2) of the U.S. Securities Act and Regulation D promulgated thereunder. Similar reliance has been placed on apparently available exemptions from securities qualification requirements under applicable state securities laws. No assurance can be given that the offering currently qualifies or will continue to qualify under one or more of such provisions due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or the retroactive change of any securities law or regulation. If, and to the extent that, claims or suits for rescission are brought and successfully



concluded for failure to register this offering or other offerings or for acts or omissions constituting offenses under the U.S. Securities Act, the U.S. Securities Exchange Act of 1934 or applicable state securities laws, the Funds could be materially and adversely affected, jeopardizing the ability of the Funds to operate successfully. Furthermore, the human and capital resources of the Funds and Glide could be adversely affected by the need to defend actions under these laws, even if the Funds are ultimately successful in its defense.

During any period of time in which any Portfolio of the Funds would be an “investment company” within the meaning of Section 3(a) of the Company Act, each Portfolio currently intends to rely on the exceptions afforded by either Sections 3(c)(1) or 3(c)(7) thereof. Section 3(c)(7) excepts an issuer of securities from the definition of investment company if its outstanding securities are beneficially owned in the United States exclusively by “Qualified Purchasers” and if it is not making and does not presently propose to make a public offering of its securities. The rules and interpretations of the SEC and the courts, relating to the definition of “Qualified Purchaser”, are highly complex and uncertain in numerous respects.

Glide believes that, by virtue of Section 3(c)(1) of the Company Act, certain Portfolios of the Fund should not be deemed to be an “investment company” and, accordingly, should not be required to register as such under the Company Act. That provision depends, in part, however, on the Funds’ voting securities (if the interests were to be deemed “voting securities” for purposes of Section 3(c)(1) of the Company Act) being held by not more than 99 beneficial owners. The rules and interpretations of the SEC and the courts, relating to the definition of “voting securities” and the counting of “beneficial owners” are highly complex and uncertain in numerous respects. As a result of the foregoing regulatory uncertainties pertaining to Sections 3(c)(1) and 3(c)(7) of the Company Act, no assurance can be given that any of the Funds will not be deemed an “investment company” for purposes of the Company Act and required to register as such thereunder, in which event a Fund and Glide could be subject to legal actions by regulatory authorities and others and could be forced to terminate. The costs of defending any such action could constitute a material part of the Funds’ assets and termination could have materially adverse effects on the Funds and the value of an investor’s interest in the Funds.

Because the none of the Funds intend to register as an investment company under the Company Act by virtue of either Sections 3(c)(1) or 3(c)(7) exemptions, the protective provisions of the Company Act will generally not apply to the Funds, including, but not limited to, the provisions of the Company Act that require, among other things, a company’s board of directors, including a majority of disinterested directors, to approve certain of a fund’s activities and contractual relationships, and prohibit a company from engaging in certain transactions with its affiliates. In addition, the Funds will not be subject to requirements such as annual review and approval of an investment advisory contract by a disinterested majority of a board of directors and other governance safeguards that the Company Act imposes.

Securities and investment businesses generally are comprehensively and intensively regulated under national and international laws and regulations. Any investigation, litigation or other proceeding undertaken by national and international regulatory agencies or private parties could necessitate the expenditure of material amounts of the Funds’ for legal and other costs and could have other materially adverse consequences for the Funds. Because securities of the Funds held by broker-dealers generally may not be required to be held in the Funds’ name, a failure of such a broker-dealer may have a greater adverse impact on the Funds than if such securities were registered in the Funds’

name. Glide is registered as an investment advisor with the SEC, and acts as the fund manager of the Fund. The mere fact that an advisor is registered with the SEC does not imply any particular level of skill or training.

Pursuant to rules of the Commodity Futures Trading Commission (“CFTC”), Glide, as fund manager, is not required to register with the CFTC as a Commodity Pool Operator (“CPO”) with respect to certain Funds.

*Increased Regulations.* Events during the past few years (including market volatility and disruptions and the bankruptcy, failure, improper practices, and adverse financial results of certain financial institutions, trading firms, and private investment funds) have focused attention upon the necessity of firms engaging in the trading of highly leveraged securities, commodities, and derivatives to maintain adequate risk controls and compliance procedures. In addition, these events have led to increased governmental and self-regulatory authority scrutiny of various trading participants and the “hedge fund” industry in general, particularly with regard to business practices, short sales, transparency and monitoring of trading positions, and protection of customer funds. Most recently, U.S. regulators have increased scrutiny, reporting requirements, restrictions, and regulations pertaining to short sales of securities (including, but not limited to, short sales of publicly traded financial companies and transactions in excess of US\$10,000,000), regardless of whether or not the entity engaging in shorting investment activities is a public or private entity; such regulations may limit the Funds’ strategy and increase compliance risks to the Funds. Additionally, inquiries have been conducted to ascertain the investor protection implications of the growth of private investment funds, and proposals have been made with regard to best business practices and additional regulation of such funds, their operators and advisors, and certain of their activities, including proposed restrictions on certain types of trading and proposals for increased public and private disclosure of financial, trading, and risk management information. Certain of such proposal would be applicable to non-U.S. funds managed by U.S. based advisors such as Glide. The regulation of futures, forward and options transactions in the United States is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets and the need to regulate the “derivatives” markets in general. Any regulations that restrict the ability of the Funds to employ, or broker-dealers and counterparties to extend, credit in connection with the Funds’ trading, or otherwise restrict the Funds’ trading activities, or require the Funds to disclose proprietary information, or subject the Funds to additional regulation, could adversely impact the Funds’ profit potential.

*Lack of Management Control by Investors.* Under the offering documents, investors do not have the right to participate in the management, control or operation of the Funds or to remove Glide, as fund manager, under any circumstances.

*Use of Side Letters.* The Funds may from time to time seek to induce investment by offering investment terms which are not available to other investors in the Funds. In such cases the parties may enter into a written side arrangement varying the terms of the offer. Such variations may include, without limitation, variations to fees, minimum investment or redemption terms, with the effect that not all investors in the Funds will invest on the same terms and some investors may enjoy more favorable terms and information than other investors. There is no limit with respect to the percentage of investors who may receive side letters in Glide’s discretion. Accordingly, a significant percentage of investors may have special rights.

In some cases you may be at a disadvantage and suffer losses if we grant other investors preferred access to information, especially if coupled with preferred rights to redeem. We believe such practice to be reasonable however, because it is fully disclosed, and we expect that in many cases preferential terms will be given only to large investors or early investors who provide benefits of scale to the Funds that benefit all investors.

The foregoing discussion with respect to side letters may also apply to the Funds' investment with Other Funds and Managers, which means other investors with the Other Funds and Managers may be granted more favorable terms than the Funds.

*Hedging Transactions.* The Funds may utilize financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors both for investment purposes and to seek to hedge against fluctuations in the relative values of an Exposure or Portfolio. Hedging against a decline in the value of a position does not eliminate fluctuations in the values of positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedging transactions also limit the opportunity for gain if the value of the position should increase.

Although the intent of hedging is to reduce fluctuations in the value of the portfolio as a whole, in certain circumstances, particularly when markets are subject to extreme events, hedging activity may add to the volatility of the portfolio. This may occur when previously observed correlations in the markets break down. Moreover, for a variety of reasons, Glide, a Portfolio Advisor or an investor into a self-directed Portfolio may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. Furthermore, Glide, a Portfolio Advisor or an investor into a self-directed Portfolio may determine not to hedge against certain risks because it fails to anticipate the occurrence of such risk or believes that the occurrence is too unlikely to justify the cost of the hedge. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Portfolios.

*Other Derivative Instruments.* New derivative techniques and instruments continue to be developed, and the Funds reserve the right to use any such techniques and instruments as may be developed to the extent it determines that they are consistent with applicable regulatory requirements. The Funds may use derivative instruments (including future contracts, options and over the counter instruments) to trade or to hedge. Derivatives can be highly leveraged and quite volatile. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged (such as a currency) may prevent the user from achieving the intended hedge effect or expose it to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets a holder may not be able to close out a position without incurring a loss. For example, daily limits on price fluctuations and speculative position limits imposed by futures exchanges on which the Funds may trade may prevent prompt liquidation of positions, subjecting it to the potential of greater losses. Many derivative transactions may not be on an organized exchange and may not be subject to regulation by U.S. or foreign regulators. In some cases such derivatives may be traded in markets that have limited liquidity making it difficult or impossible for the execution of trades at a desired price and may expose the Funds to the risk of counterparty non-performance or failure.

*Potential Conflicts of Interest.* In addition to trading for the account of the Funds, Glide, Portfolio Advisors and their respective principals may engage in investment and trading activities for their own account and may also manage the trading of other investment and trading accounts with objectives similar to those of the Funds, including other funds or other collective investment vehicles which may in the future be managed or sponsored by Glide or its principals and in which Glide or its principals may have an equity interest. Glide is not obligated to devote any specific amount of time to the affairs of the Funds and is not required to accord exclusivity or priority to the Funds in the event of limited trading or investment opportunities arising from the application of speculative position limits or other factors. In managing other accounts or trading or investing for their own accounts, each of Glide, Portfolio Advisors and their respective principals may take positions which are opposite, or ahead of, positions taken for clients, including the Funds. Glide and its affiliates intend to allocate investment opportunities to their clients, including the Funds, and themselves in accordance with their fiduciary duties. Likewise, Glide expects that Other Funds and Managers with which the Funds may invest will allocate investment opportunities to their clients, including the investment fund in which the Funds have invested, in accordance with their fiduciary duties without supervision or control by Glide. The principals of Glide are permitted to engage in other business activities.

### Tax Risks

*Generally.* The Funds will not seek rulings from the Internal Revenue Service ("IRS") or any legal opinion with respect to any federal income tax considerations. Moreover, the Funds may take positions as to which the tax consequences are unclear. No assurance can be given that the currently anticipated income tax treatment of an investment in the Funds will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the investors.

*Tax & ERISA Risks.* Although the offshore Funds have no intention of establishing an office in the United States and will have their principal office in the British Virgin Islands, it is possible that the Internal Revenue Service of the United States may at some time in the future take the position that the U.S. office of Glide constitutes the principal office of such Funds. If the Internal Revenue Service makes this argument, and is successful, the income of the Funds may, due to future changes in the law, be subject to United States taxation in whole or in part and certain U.S. tax reporting requirements.

The tax laws of the United States change with some frequency. It is possible that the tax laws of the United States could be modified to subject some or all of the income to be realized by the offshore Funds to United States income taxation. The offshore Funds have been established only in conjunction with the current state of United States income tax laws and any amendment to such laws could have a substantial negative impact to the net income of the offshore Funds.

Certain investors may be subject to laws, rules and regulations that may regulate their participation in the offshore Funds or their engaging directly, or indirectly through an investment in the offshore Funds, in investment strategies of the types such Funds may utilize from time to time. Each type of entity may be subject to different laws, rules and regulations, and prospective investors should consult with their own advisors as to the advisability and tax consequences of an investment in the Funds. The Funds may take positions as to which the tax consequences are unclear.

The Funds or any Portfolio and/or class may be subject to the fiduciary, prohibited transaction, reporting and disclosure rules of ERISA and the Code. Accordingly, to the extent applicable, any assets of the Funds subject thereto shall be managed in accordance with such rules. Although Glide

believes it to be unlikely, this may require the Funds and/or applicable Portfolios to forego, from time to time, investments or other arrangements on behalf of the Funds and/or relevant Portfolios that might otherwise have been desirable for the Funds and/or such Portfolios. In addition, the pool of available Exposures may be limited which may in turn limit the Funds' ability to invest in accordance with its investment objective and strategy.

*Investor's Tax Liability May Exceed Distribution.* Investors may be liable for taxes on amounts of income allocated to them even though no distributions are made and even though the transaction that results in the gain does not generate any cash. Also, the Funds might sustain losses offsetting such profits after the end of the year, and the Funds may never receive the profits on which they were taxed.

*Disallowance of Certain Items.* The right of investors to take deductions for certain expenses or losses may be challenged by the IRS, whose position may be sustained in the courts. No assurance can be given that any losses or deductions or other potential federal income tax advantages or which prospective investors may otherwise contemplate, will be available for federal income tax purposes.

*Characterization of Items.* The IRS may take the position that gains treated by the Funds as capital gains are ordinary income, or that capital gains treated by the Funds as long-term are short-term, or that losses treated by the Funds as ordinary losses are capital losses. No assurance can be given that the treatment by the Funds of these or similar characterization issues will be ultimately sustained.

*Audit Risks.* Certain Funds must file annual federal information returns and will also be required to file state and local information returns. Any return filed by the Funds may be audited and any such audit may result in adjustments and in an audit of an investor's own tax return. Such an audit could result in adjustments to non-Fund as well as Fund items and could involve additional expenses for the investor being audited.

*Treatment of the Portfolios.* With respect to the onshore Fund, the IRS has not made a determination as to whether each series in a Delaware limited liability company should be considered a separate entity for federal income tax purposes, although there is no authority to our knowledge to suggest that such separation is the appropriate treatment. If the IRS were to take such a position, the primary impact on the Fund would be uncertain.

*Miscellaneous.* Certain investors may be subject to laws, rules and regulations that may regulate their participation in the Funds or their engaging directly, or indirectly through an investment in the Funds, in investment strategies of the types the Funds may utilize from time to time. Each type of entity may be subject to different laws, rules and regulations, and prospective investors should consult with their own advisors as to the advisability and tax consequences of an investment in the Funds.

*Extraordinary Events.* Recent terrorist activity and United States involvement in armed conflict demonstrate that such events may negatively affect general economic fortunes, including sales, profits and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

*Legal Risk.* Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships are new and largely untested. As a result, the offshore Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory



legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the offshore Funds and their operations. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of the British Virgin Islands or the United States.

*No Independent Counsel.* No independent legal counsel has been retained to represent the interests of the holders of the interests in the Funds. Each prospective investor is therefore urged to consult its own counsel as to the terms and provisions of the Funds and with regard to all other related documents.

*Contagion Risks Among the Portfolios.* Even though the onshore Fund currently intends to organize each of the onshore Fund and the onshore Master Fund into series of limited liability company interests, which Glide believes will generally quarantine the assets and liabilities of one Portfolio from any other Portfolio of the onshore Fund and of one Exposure from another Exposure of the onshore Master Fund: (i) classes within the same Portfolio share risks and liabilities; (ii) different Portfolios may target the same Exposures which means some risk is shared among the onshore Fund's Portfolios; and (iii) notwithstanding the onshore Fund's efforts to organize the onshore Fund and interests by series and the onshore Master Fund and Exposures by series, there is no guarantee assets and liabilities will be quarantined within each series under Delaware law, including in the event the liabilities of any single series exceeds the assets of any such series.

Even though the offshore Funds and their respective offshore Master Funds are organized as segregated portfolio companies in the British Virgin Islands, which Glide believes will generally quarantine the assets and liabilities of one Portfolio from any other Portfolio of such Fund and of one Exposure from another Exposure of such Master Fund: (i) classes and subclasses within the same Portfolio share risks and liabilities; (ii) different Portfolios may target the same Exposures which means some risk is shared among such Fund's Portfolios; and (iii) notwithstanding the Fund's efforts to organize such Fund and shares by Portfolio and such Master Fund and Exposures by Portfolio, there is no guarantee assets and liabilities will be quarantined within each Portfolio under laws other than those of the British Virgin Islands, including in the event the liabilities of any single Portfolio exceeds the assets of any such Portfolio.

The foregoing list of certain risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the offering documents for the relevant Fund and consult with their own advisors before deciding whether to invest in such Fund.

## **ITEM 8. DISCIPLINARY INFORMATION**

Glide and its employees do not have any material legal or disciplinary events.

## **ITEM 9. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The owners of Glide are also the owners of Scala Capital LLC, a registered investment advisory firm.

## **ITEM 10. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING CODE OF ETHICS AND PERSONAL TRADING**

Glide's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Advisers Act. In addition, the Code meets the requirements of under Rule 17j-1 of the Investment Company Act. The Code applies to Glide's access persons (which term includes all employees of Glide) and sets forth a standard of business conduct that takes into account Glide's status as a fiduciary and requires access persons to place the interests of Advisory Clients and Investors above their own interests. The Code requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of Glide's Chief Compliance Officer. All access persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis. The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. Glide's access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holding report within 10 days of becoming an access person. In addition, Glide's access persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1 of the Advisers Act.

Investors or prospective investors may request a copy of the firm's Code of Ethics by contacting the firm's Chief Compliance Officer at (305) 539-3850.

## **ITEM 11. BROKERAGE PRACTICES**

As a "fund-of-funds" manager, Glide generally has no direct investments other than those in Underlying Managers or Funds. Glide generally is not involved in selecting or recommending broker-dealers for Advisory Client transactions and determining the reasonableness of broker-dealer compensation. Furthermore, Glide does not receive research or other products or services from broker-dealers or third parties in connection with Advisory Client transactions ("soft dollar benefits"). It is expected that Advisors and the Underlying Managers or Funds utilized by Glide will allocate brokerage business generally on the basis of best available execution and in consideration of such brokers' provision of brokerage, research and related services (but no absolute assurances can be made in that respect). Glide has no direct control over any Advisor's best execution review processes. In the unlikely case where Glide selects a broker for a purchase or sale, Glide is guided by the principal objective of best execution. Factors Glide would consider in seeking best execution include price; commission rate; and the financial strength, integrity and stability of the broker.

## **ITEM 12. REVIEW OF ACCOUNTS**

As part of its fund management services to all Portfolios of the Funds, investor accounts are monitored monthly, generally by Glide's Chief Compliance Officer. Through these reviews Glide seeks to ensure adherence to the Funds' offering. Glide provides the Portfolio Advisors with significant information so that the Portfolio Advisors can review their accounts, at minimum quarterly.

Glide prepares a written consolidated monthly account statement for each investor in a Portfolio of the Funds. Account statements show detailed portfolio analytics as well as account balance, allocation details, estimated performance details and other information for the applicable reporting period. Account statements are provided to investors via Glide's secure website and/or in writing via mail, at



the investor's election. Account statements showing final net asset value calculations are available from the Funds' administrator upon request.

Glide also prepares an annual consolidated Schedule K-1 tax form for each US investor.

### **ITEM 13. CLIENT REFERRALS AND OTHER COMPENSATION**

Glide does not receive any economic benefits other than management fees paid by Portfolios of the Funds. Glide and its representatives do not receive any economic benefits from any third parties (including, without limitation, Portfolio Advisors, Placement Agents and Other Funds and Managers) with respect to services offered to investors. In the cases where Glide does negotiate a "fee break" from the Underlying Manager or Fund, those "fee breaks" are passed along to the investors through the Fund. From time to time, the Funds may retain Placement Agents in connection with the offer and sale of interests of the Funds. If applicable, Placement Agents may receive a placement fee from the Funds on behalf of the investor which has been introduced, directly or indirectly, by the Placement Agent. If applicable, the placement fee may include a continuing fee paid to Placement Agent by the applicable Portfolio quarterly in arrears for so long as such investor is invested in such Portfolio. If applicable, Glide's management fee will be reduced by the amount of the placement fee.

### **ITEM 14. CUSTODY**

Glide may be deemed to have virtual custody of certain client assets as a result of its service as the Managing Member of the onshore Fund and Master Fund, or its service as sponsor and owner of the issued founder's shares of the offshore Funds and Master Funds. Actual physical custody of the Funds' and other client assets, however, is in custody at Wintrust Bank, not at Glide.

### **ITEM 15. INVESTMENT DISCRETION**

The Portfolio Advisor, if any, is selected by the investor(s) into a Portfolio. The Portfolio Advisor typically exercises exclusive investment discretion over such Portfolio, as described in the offering documents.

Such investors have full discretionary investment authority with respect to their self-directed Portfolios and are responsible for making all investment decisions including, without limitation, the ongoing monitoring of their investment objectives, allocations, risk and liquidity with respect to such Portfolios. Glide, solely in its capacity as fund manager, does not have discretionary investment authority or provide advisory services to any Portfolios.

### **ITEM 16. VOTING CLIENT SECURITIES**

Investors are not entitled to voting rights, except in such special circumstances as provided in the offering documents.

### **ITEM 17. FINANCIAL INFORMATION**

In certain circumstances, registered advisors are required to provide information or disclosures regarding their overall financial health. Glide currently has no financial condition that would impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of any bankruptcy proceedings.