

FORM ADV PART 2A

APTITUDE INVESTMENT MANAGEMENT LP

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January 2, 2019

This brochure provides information about the qualifications and business practices of Aptitude Investment Management LP (“Aptitude”). If you have any questions about the contents of this brochure, please contact us at (212) 902-1000. 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 Aptitude and Goldman Sachs Hedge Fund Strategies LLC is also is available on the SEC’s website at www.adviserinfo.sec.gov.

We refer to ourselves as a “registered investment adviser.” Registration does not imply that Aptitude or its employees possess a certain level of skill or training.

This document does not constitute an offer to sell or a solicitation of any offer to invest in any security. Such an offer may be made to qualified investors solely by way of such investment fund’s offering materials approved for use by Aptitude, and only in jurisdictions in which such an offer would be lawful.

ITEM 2. MATERIAL CHANGES

Material Changes Since Last Update

Effective as of December 27, 2018, Aptitude was acquired by Goldman Sachs Hedge Fund Strategies LLC (“HFS”), an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. (“GS Group”). Accordingly, changes have been integrated throughout this Brochure to reflect the change in Aptitude’s ownership, eliminate outdated provisions, and update disclosures pertaining to conflicts of interest associated with the change of control.

In addition, we have revised Item 4 to reflect that while we had regulatory assets under management of \$4,034,800,000 as of November 30, 2018, we anticipate that regulatory assets under management will materially decrease by year-end due to a change in investment strategy by a large pension client for whom we will continue to provide transition services (but not investment advisory services or advice) into 2019.

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 investment vehicle;
- A complete discussion of the features, risks or conflicts associated with any advisory service or fund; or
- To be relied on solely in determining whether to invest or establish an advisory relationship.

Although this publicly available Brochure describes the investment advisory services and products of Aptitude, persons who receive this Brochure should be aware that it is designed solely to provide information about Aptitude as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). As such, certain information in this Brochure may be less extensive and complete or may differ from information provided in relevant offering materials or investment management agreements and related documentation, certain of which may be provided to current or eligible prospective clients or investors by Aptitude. To the extent that there is any conflict between discussions herein and similar or related discussions in offering materials, the relevant offering materials shall govern and control.

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ITEM 4. ADVISORY BUSINESS

Firm and Ownership

Aptitude Investment Management LP (hereinafter, “Aptitude,” “us,” “we,” and “our”), a Delaware limited partnership, was formed in May 2011 under the name Federal Way Asset Management LP and commenced operations on July 1, 2012. Our employees are based in offices in Seattle, Washington, and Vancouver, Canada. In April 2017, we changed our firm name from Federal Way Asset Management LP to Aptitude Investment Management LP in conjunction with our change in head offices from Federal Way, Washington to Seattle, Washington. The name change resulted in no changes in ownership, structure, personnel, or advisory services provided or offered.

Effective December 27, 2018, we were acquired by HFS, an indirect wholly-owned subsidiary of GS Group. HFS holds all limited partnership interests in Aptitude, and an affiliate serves as the general partner of Aptitude.

Advisory Services

We offer investment management services primarily through separately managed accounts to institutional clients. We also serve as investment manager to private pooled investment or single investor vehicles, the securities of which are offered to qualified investors on a private placement basis. We do not offer services to retail clients or investors. The services we offer include:

- Managing client portfolios with a focus on investments in alternative investment strategies, which include hedge funds, private equity funds and other investment vehicles, which are generally not registered under the Investment Company Act of 1940, as amended (the “Company Act”); and
- Monitoring overall client portfolios and, where granted discretion, using a variety of derivative financial instruments, such as options, swaps, forwards and futures contracts, to obtain or hedge various market exposures.

We also provide portfolio oversight services to certain clients, including:

- Assisting clients in the design and implementation of the architecture of overall investment programs, based on, among other things, the client’s financial circumstances, risk parameters, investment goals and cash flow needs;
- Providing recommendations with respect to liquidity management for client cash needs and goals based on parameters and other information provided by the client; and
- Providing oversight, monitoring and review services with respect to the investment management services provided by third party investment advisers managing portions of a client’s assets.

We provide tailored advice to each client taking into account its investment objectives, needs and stated investment restrictions. Separately managed account clients may impose restrictions on investing in certain securities or types of securities. Any such restrictions will be reflected in the

client's governing documents, investment advisory agreement or other documentation applicable to the client account. In the absence of such restrictions, we have no formal restrictions on investing assets in any type of securities, investments or other assets. We make investments for clients in accordance with mutually agreed upon written guidelines and provide continuous supervision of client portfolios.

We primarily serve as an investment adviser to separately managed accounts. We also provide investment advisory services to private pooled investment vehicles (the “Funds”). The Funds include multiple feeder funds that invest substantially all of their assets into a master fund for which an Aptitude affiliate serves as general partner. Securities in the Funds are offered on a private placement basis to certain qualified sophisticated investors unaffiliated with Aptitude, as well as to Aptitude and its principals, affiliates, employees, and related persons/entities, including without limitation certain members of the portfolio management team. While Aptitude employees and certain related parties are generally not charged management fees for their investments in the Funds, they remain subject to the same rights and obligations as those of other investors. With respect to the Funds, we do not tailor our investment advice to the needs of any specific investor in the Funds, and investors in the Funds generally cannot impose restrictions or limitations on the Funds’ investments. Aptitude’s services to the Funds are provided pursuant to the terms of the applicable private placement memorandum and governing documents of each applicable Fund.

Wrap Fee Programs

We do not currently participate in wrap fee programs.

Assets Under Management

As of November 30, 2018, we had regulatory assets under management of \$4,034,700,000. We anticipate that regulatory assets under management will materially decrease by year-end due to a change in investment strategy by a large pension client for whom we will continue to provide transition services (but not investment advisory services or advice) into 2019. We do not currently manage any client assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

Management Fees

We charge an investment management fee, which is generally negotiated, and may vary with each client. The agreed-upon management fee will be set forth in the investment management agreement entered into with the client or, in the case of the Funds, in their governing documents. Generally, our management fee for providing discretionary management services is based upon a percentage of the market value of assets under management and will be payable quarterly in arrears, although we may negotiate arrangements pursuant to which our management fee is paid quarterly in advance. The management fee will be prorated for periods less than a full quarter and the client will be refunded any balance.

Our fees for other management services, such as designing investment programs, liquidity management, and account oversight, monitoring and review are negotiated on a case-by-case basis with each client based on the services to be provided.

Fees charged to separately managed accounts are billed to the client, and we do not have the ability to deduct the fees from such client's account. In the future, at the election of a client and to the extent permitted in our investment management agreement or ancillary agreements with a client, we may debit clients' accounts to pay our management fees.

For the Funds, we generally charge a management fee in accordance with the terms and conditions set forth in the applicable Fund offering and organizational documents, based upon a percentage of the market value of assets under management. These fees are currently set at annual rates of up to 0.75%. Such fees are generally payable quarterly in arrears. We may debit the capital account of each investor in the applicable Fund directly, or the Fund as a whole, for the payment of any such fee. We do not currently charge a management fee to investors in the Fund that are Aptitude employees or certain related parties. In cases entailing one Fund investing in another, there is no layering of fees.

Other Fees

In addition to our management fee, clients will be subject to the fees of the unaffiliated third-party private investment vehicles in which their accounts are invested. Private investment vehicles typically charge a management fee based on the assets under management and a performance fee or allocation based on, or a carried interest in, the profits of the investment vehicle. Each client may also be subject to redemption fees, if applicable, as well as its pro rata portion of expenses in respect of each private investment vehicle in which it invests.

Clients may also incur other fees and expenses attributable to such client account. Such expenses may include, but are not limited to: (i) brokerage commissions and charges, trade commissions or spreads, (ii) custodian fees for maintaining brokerage and/or bank accounts and funds transfers, (iii) interest and commitment fees on loan and debit balances, (iv) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (v) fees of legal counsel, administrators, net asset value calculation agents, accountants, and independent auditors, (vi) costs of printing and distributing reports and notices, (vii) research, database and due diligence, technology and other software costs and expenses, (viii) blue sky fees, (ix) insurance costs, (x) regulatory filing fees, and (xi) consulting fees and expenses. These additional fees and expenses may be charged directly to the client by the applicable service provider or may, in certain circumstances, be advanced by us and debited from a client's account. Please see Item 12 – "*Brokerage Practices*." These fees are separate and distinct from the management fees charged by Aptitude.

With certain exceptions, our Funds generally bear all costs and expenses relating to their operations, including, but not limited to, the applicable management fee; investment expenses, whether or not such investments are consummated (such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; research and market

data (including, without limitation, any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of the fund's administrator); legal expenses; external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for the general partner, directors, and/or Aptitude; costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; regulatory expenses (including, without limitation, expenses relating to the preparation and filing of Form PF and other regulatory filings); expenses incurred in connection with the offering and sale of the interests in the fund and other similar expenses related to the fund (other than any fees payable to any placement agent in connection with the offering of interests in the fund, if any, which will be paid by Aptitude either directly or indirectly by reducing the management fees owed to Aptitude); indemnification expenses; and extraordinary expenses. In its capacity as an investor in portfolio funds, each Fund also bears its pro rata share of the operating expenses and offering expenses relating to each portfolio fund, as well as its share of the expenses of any intermediate entity through which it invests. Notwithstanding the above, Aptitude has implemented an expense cap with respect to certain Fund operating expenses such that Aptitude will bear the excess of such delineated expenses, if any, until such time as the applicable Fund assets meet a pre-defined threshold.

Aptitude and/or the general partner has the authority to authorize the payment of other fees/expenses to third parties from the assets of the Funds. To the extent that expenses borne by the Funds are paid by Aptitude, the Funds may reimburse us for such expenses, provided the expenses are consistent with those authorized within the Fund documents. Alternatively, Aptitude may elect to absorb such expenses where appropriate.

In cases in which multiple clients use or benefit from the same service, Aptitude endeavors to allocate such expenses among clients in a manner that is fair, equitable, and appropriate in light of the applicable facts and circumstances and consistent with Aptitude's fiduciary obligations to each client (generally on a pro rata basis).

Also see *Brokerage Practices* in Item 12 below.

Neither we nor any of our "supervised persons" accepts compensation for the sale of securities or other investment products.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance fees are fees based on a share of net profits on or capital appreciation of a client's assets. Aptitude does not receive any performance-based compensation from the Funds. To date, one separately managed account client has elected to enter into performance-based fee arrangements with Aptitude. We may in the future enter into performance-based fee arrangements with new or current clients.

A performance fee arrangement may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In

addition, we may receive such compensation with regard to unrealized as well as realized gains in a client's account. Aptitude's current performance fee arrangements are subject to certain vesting and loss carryforward mechanisms designed to mitigate the potential risk of incentivizing Aptitude to select investments that are riskier or more speculative than if Aptitude received only a flat percentage of capital. Performance fees or allocations are subject to the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, Aptitude seeks to ensure that clients that are assessed a performance fee satisfy applicable legal and regulatory requirements.

Conflicts of interest may arise where one or more client accounts are charged a performance fee and others are not, because we may have an incentive to focus greater efforts on those clients that pay a performance fee. We are aware of, and have adopted and implemented policies and procedures intended to address, conflicts of interest relating to the management of multiple accounts, including accounts with varying fee arrangements, and the allocation of investment opportunities. Such allocation procedures were designed to ensure that all investment allocation decisions are made fairly and equitably among accounts over time. Aptitude's controls are intended to ensure that clients are not favored or disadvantaged in order to promote the fair and equitable treatment of all clients. We may consider not only our clients' allocation objectives, but may consider specific circumstances relating to an account in determining appropriate allocations for each client. See Item 11 – *"Allocation of Investment Opportunities."*

Certain clients are treated as "plan assets" for purposes of the fiduciary responsibility standard and prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974, as amended, and the parallel prohibited transaction provisions of Section 4975 of the Internal Revenue Code of 1986. Certain clients may be limited or prohibited from certain investments and, accordingly, allocations of investments to clients that are "plan assets" or non-plan assets may vary due to the client's ability or inability to make such investment.

Although Aptitude has a duty to treat all clients fairly and equitably over time, client portfolios will not necessarily always be managed in the same ways at all times. In general, investment decisions for each client will be made independently from those of other clients, in each case with specific reference to the individual needs and objectives of each client. Different investment guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for portfolios within a similar investment strategy. As a result, although Aptitude manages multiple portfolios simultaneously with similar investment objectives, the portfolio decisions related to these accounts, and the performance resulting from such decisions, may differ from client to client.

ITEM 7. TYPES OF CLIENTS

We offer investment management services to institutional clients (which may include, without limitation, pension funds, endowments, foundations, hospitals, insurance companies, family offices, sovereign wealth funds, corporations, and other types of entities, including private funds of funds) and high net worth individuals. Investors must generally meet the requirements for "qualified clients" under the Advisers Act to incur performance-based fees.

In addition, each U.S. investor in our Funds must generally be (i) an “accredited investor,” as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and/or (ii) a “qualified purchaser,” as defined in Section 2(a)(51) of the Company Act, and must also meet other suitability requirements. Certain non-U.S. investors need not be an “accredited investor” (but generally must be a “qualified purchaser”), so long as each non-U.S. investor is not a U.S. person, as defined in Regulation S under the Securities Act. The minimum investment amount in each Fund is set forth in the applicable fund offering memorandum and is generally \$10,000,000, unless waived at the discretion of the general partner, directors, or manager as applicable. Prospective fund investors are required to complete a subscription agreement, which will require disclosure of certain information required to substantiate the investor’s identity and investment qualifications. Subscribers must be sophisticated investors who have sufficient knowledge and experience in business and financial matters to evaluate the risks of an investment in a fund or account managed by Aptitude and determine its suitability. We do not currently offer investment management services to retail investors.

The minimum account size for a separate client account, and requirements for opening or maintaining a client account, may vary and are negotiated on a case-by-case basis.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Management Services and Services Overseeing Third Party Managers

We invest primarily in private investment vehicles (the “Investment Vehicles”) managed by unaffiliated third-party fund managers (the “Managers”) and seek broad diversification by investing in vehicles that, in aggregate, invest across asset classes and apply a range of strategies. For those separately managed account clients that have granted us discretion, we apply derivative overlays including options, swaps, forwards and futures contracts to obtain or hedge against market exposures. We have access to a broad range of Managers and apply risk assessment and portfolio risk controls. We use both quantitative and qualitative factors to analyze and monitor underlying Investment Vehicles and their respective Managers, and look at numerous factors for each Manager and Investment Vehicle including:

- Strategy in light of their performance history and methodology;
- Performance history and performance versus applicable benchmark(s) and peers;
- Performance history with regard to consistency, volatility, and compounded return;
- Structure, including make-up and size, legal and accounting framework, prime brokerage relationships, trade execution capability, and potential conflicts of interest;
- Principals, including their personal and business history and background; and
- Alignment, as determined in part by a Manager’s investment in the fund(s) it manages.

We also receive information, including reports and financial information, directly from each Investment Vehicle, which we analyze and monitor.

Other Services For Investment Programs in Certain Separately Account Managed Platforms

To the extent authorized by mandate and requested by clients, Aptitude performs certain additional services on behalf of certain separately managed account clients. We analyze the client's financial circumstances and needs in the context of our experience, projections and analysis of asset allocation models. In advising on investment mandates, we apply our collective experience to assist the client in designing, adopting and adjusting, as necessary or advisable, a program with exposure to a variety of asset classes, strategies, goals and parameters tailored to the client's needs and circumstances.

For liquidity management, we analyze the client's current and projected cash needs, and make recommendations based on our analysis of the assets currently in the client's overall portfolio across all of its Managers and investments. In performing this analysis, we consider, among other things, asset classes in the portfolio, particular investment positions, current and/or projected market conditions, asset liquidity, the client's current and future capital commitments and, where known, investment plans of Managers. We recommend, where applicable, increases or decreases in the cash position of a client when we believe it to be in that client's best interest.

Risk of Loss

All investments involve the risk of loss of capital that clients should be prepared to bear. We believe that our investment programs, research techniques and derivative overlays moderate this risk over the long-term. However, there can be no assurance that client portfolios will be able to fully meet their investment objectives and goals, including, without limitation, achievement of targeted rates of return. There can also be no assurance that client accounts will be able to fully invest their capital or that suitable investment opportunities will be available. The investment strategies undertaken by Aptitude are generally intended for sophisticated investors who can accept the risks associated with investing in illiquid securities, including the possibility of partial or total loss of capital. The following is a summary of the material risks for each significant investment strategy and methodology of analysis that we use. The following risks do not purport to represent a complete explanation of all the risks of clients of Aptitude, and not all of these risks will be equally relevant to each client account at any given time. Prospective clients should consult their own legal, tax and financial advisers as to all of these and other risks prior to entering into an advisory relationship with Aptitude.

Reliance on Key Individuals. We are dependent upon the talents and efforts of highly skilled investment professionals and other employees. The loss of any one such individual could adversely affect our ability to continue in business and to manage client portfolios. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the investment professionals could be replaced.

Management Style Risks. While we manage client portfolios based on our experience, research and proprietary methods, the value of client portfolios will fluctuate based on the performance of the underlying securities in which they are invested. Client portfolios are subject to the risk that our investment style is out of favor in the market.

Risks Related to Investment Vehicles and Dependence on Managers. The value of client portfolios will be based in part on the value of the Investment Vehicles in which they are invested, the success

of each of which will depend heavily upon the efforts of their respective Managers. We do not have an active role in the day-to-day management of the Investment Vehicles nor have the ability to approve the specific investment or management decisions, and we are therefore highly dependent on the expertise and abilities of the Managers. The death or incapacity of a Manager or its principals may adversely affect any given investment. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the Investment Vehicles managed by that Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the Investment Vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time. Client portfolios may be subject to restrictions on their ability to withdraw or reduce capital that has been invested with certain Managers. Therefore, we may be unable to react rapidly to market changes should a Manager fail to effect portfolio changes consistent with such market changes and/or our intentions. While we attempt to build a portfolio of Managers within a range of investment strategies with relatively low correlation that we regard as likely to provide favorable investment opportunities in most economic environments, there is a risk that a Manager's performance will be more highly correlated to the broader markets than was anticipated. Furthermore, as the assets under management by a particular Manager increase, the Manager may have difficulty implementing an investment strategy which may have been successful in the past, or difficulty finding sufficient investment opportunities which are attractive. There can be no assurances that a Manager's future results will be as successful as its past performance.

Managers Invest Independently. The Managers make investment decisions independently of other third-party managers and may at times hold economically offsetting positions. Accordingly, there is the possibility that client accounts will indirectly incur transaction costs without accomplishing any net investment result. Moreover, Managers may compete with each other from time to time for the same positions in certain markets. Such competition may adversely affect the performance of the Investment Vehicles managed by such Managers. Multiple Managers may hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple Managers likely will increase the adverse effect of any problems experienced in the market, sector, or industry in which the positions are concentrated. Though we endeavor to ensure diversification by selecting a wide range of Managers in strategies with relatively low correlation, a substantial portion of these Managers may have flexibility to invest opportunistically when attractive opportunities arise, which may increase risks of concentration or competition.

Manager Compensation Arrangements. By engaging us to provide investment management services in respect of investments in Investment Vehicles, clients will, in effect, incur the costs of two forms of investment management services, namely the services that we provide in identifying and selecting Managers, performing due diligence and making investment decisions, and the services provided by the Managers in selecting investments on behalf of the Investment Vehicles in which clients have exposure. Managers may be paid performance fees or incentive allocations related to the Investment Vehicles to which client portfolios are invested. Performance-based compensation arrangements may create an incentive for such Managers to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that may include

unrealized appreciation of client account assets, this compensation may be greater than if such compensation were based solely on realized gains.

Economic and Extraordinary Market Conditions and Governmental Actions. Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the Investment Vehicles in which client portfolios are invested. In addition, the securities markets have at times been the subject of severe volatility. While we perform due diligence on the Investment Vehicles to which the client portfolios have exposure, economic conditions are not within our control and no assurances can be given that we can anticipate and act on adverse developments. Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from existing investments. An example of this sort of instability started in 2007, when markets experienced significant losses arising largely because global credit spreads widened materially, equity index levels declined, and many funds liquidated assets. In reaction to the extreme losses and volatility in commodities and securities markets and the failure of credit markets to function normally, regulators in several countries undertook extraordinary regulatory actions in 2008, including, but not limited to, short-selling restrictions. Regulators and central banks in the U.S. and other countries continue to consider and implement measures intended to stability and encourage growth in U.S. and global financial markets. Clients may be materially and adversely affected by similar or other events in the future. For example, markets may experience extreme volatility and losses, and we may be unable to hedge, or effectively hedge, certain material risks. In the long term, there may be significant new regulations that could limit activities and investment opportunities or change the functioning of capital markets. Consequently, the Managers may not be capable of, or successful at, preserving the value of assets, generating positive investment returns, or effectively managing risks. There can be no assurance that clients and/or Investment Vehicles will not suffer material adverse effects from broad and rapid changes in market conditions and related regulatory actions.

Performance Fluctuations. Client portfolios may experience fluctuations in results from period to period due to a number of factors, including changes in the values of the Investment Vehicles, changes in the level of drawdowns on capital commitments, changes in the amount of distributions, dividends or interest paid in respect of investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which clients encounter competition in the making of investments or the Managers encounter competition in their businesses, and general economic and market conditions. As a group of strategies, hedge funds and private equity funds have exhibited volatility in returns over different periods, and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.

Illiquid and Long-Term Investments; Lack of Transferability. Investments in private investment vehicles are generally illiquid investments that offer no, or only limited, withdrawal or redemption rights. Such investments are typically held for a number of years before they are sold. In some cases, the resale of such investments may be prohibited or limited by contract for extended periods of time, and as a result, we may not be permitted to sell such investments at a time we might otherwise desire to do so. In other cases, we may invest in investments that we believe either lack

a readily assessable market value or should be held until the resolution of a special event or circumstance to maximize returns. Though generally carried on the books at “fair value,” there is no guarantee that fair value would represent the actual value that will be realized on the immediate or eventual disposition of the investment. A redeeming investor from a fund with illiquid investment shares corresponding to an illiquid investment will generally not receive any redemption or withdrawal proceeds in respect of such illiquid investment shares or interests until the related illiquid investment is realized or deemed realized. It is unlikely there will be a trading market for investments in private investment vehicles, and the sale of any such investments may be possible, if at all, only at substantial discounts. Even with respect to more liquid investment strategies, there is a risk that due to market conditions, one or more Managers may be unable to honor a withdrawal request and will, as a result, impose a gate or suspend withdrawals for an indefinite period of time. Alternatively, under certain circumstances, an investor may receive in-kind distributions from Investment Vehicles. Such investments so distributed may not be readily marketable and may have to be held by such investor for an indefinite period of time.

Failure of Other Investors to Meet Capital Calls. To the extent that our clients invest in private equity or hybrid investment vehicles subject to a drawdown structure, failure by one or more other investors to meet a capital call of a Manager could have adverse consequences for our client portfolios. In some circumstances, an Investment Vehicle may be permitted to require its investors to contribute additional capital to satisfy the shortfall caused by a defaulting party. If the Manager is unable to raise sufficient capital to consummate a proposed investment, it may not be able to diversify its portfolio, which could adversely affect performance results and/or result in the Investment Vehicle’s investments being concentrated in relatively few properties or regions. Furthermore, the Investment Vehicle may not have sufficient capital to make anticipated capital contributions to existing portfolio companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular underlying Investment Vehicle, the vehicle could default on its obligations, potentially resulting in a lower return or a loss of a client’s investment.

Giveback Obligations. The terms of an Investment Vehicle may require the return of distributions received from investments, potentially including distributions made prior to the time a client portfolio became an investor in such Investment Vehicle, upon the occurrence of certain circumstances, including to satisfy any indemnification, reimbursement, contribution or similar obligation (including any obligation resulting from applicable law), or any other expense or obligation, of the Investment Vehicle. The Manager of such Investment Vehicle may set aside amounts otherwise distributable to investors for such purpose, should they arise, and amounts set aside to fund such payments will reduce the amount of funds available for distribution to an investor or for additional investments.

Valuation. Valuation of certain Investment Vehicles, and particularly private equity investments, in which we may invest on behalf of clients, may be difficult, as there generally will be no established market for these assets or for securities of privately-held companies which an Investment Vehicle may own. The overall performance of client portfolios will be affected by the acquisition price paid by the Investment Vehicles for their interests in portfolio companies, which will be subject to negotiation with the sellers of such interests. In the absence of a readily ascertainable market price, assets of the Investment Vehicle will generally be valued by the general

partners of such funds or the portfolio companies themselves. The valuation of such securities may create a conflict of interest for such general partners, as such assets may constitute a substantial portion of such Investment Vehicles and their value may affect the general partner or Manager's compensation. Although we implement steps to assess and mitigate this risk, we may not have sufficient information to be able to confirm or review the accuracy of these valuations.

Due Diligence Limitations. We conduct due diligence to an extent deemed reasonable and appropriate based on the facts and circumstances applicable to each Manager and underlying Investment Vehicle. When we conduct due diligence, we evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the type of investment opportunity presented, but may include business, financial, tax, operational, legal, and regulatory issues, among others. Outside consultants, legal advisers, and accountants may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we will be required to rely on resources available, including information provided by the Manager and, in some cases, third-party investigations. The due diligence process may at times be more subjective with respect to newly organized funds or Managers for which only limited information is available. In light of the foregoing, there can be no assurance that the due diligence process undertaken by us will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful.

Manager Operational Risk. We conduct regular due diligence and monitor Managers in an effort to ensure adherence to stated investment philosophy and objectives. However, due diligence is not certain and there can be no assurance that our due diligence process will be sufficient to detect operational issues or problems at a Manager. Information received from the Managers may not always be complete or accurate. Accordingly, it may not be possible to uncover fraudulent activity that may be perpetrated by one or more Investment Vehicles or Managers.

Non-U.S. Investments. A client, or an Investment Vehicle, may invest a portion of its assets in investments located in foreign jurisdictions. Such investments involve certain risk factors not typically associated with investments located in the U.S., including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the applicable foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation, (c) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation, (d) obtaining foreign governmental approvals and complying with foreign laws, (e) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and (f) less developed corporate laws regarding fiduciary duties and the protection of investors. Client portfolio returns on domestic investments may not be indicative of the results it may achieve on investments located in foreign countries. Anti-fraud and anti-insider

trading legislation in these countries may be rudimentary. The legal systems in these countries may offer no effective means for the clients to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Leverage. Depending on their investment strategy, Managers may employ leverage to varying degrees. Similarly, certain of the Funds (directly or indirectly through the master fund), as well as separately managed account clients, may employ leverage with respect to their investments through borrowing or the use of derivative instruments. The use of leverage will magnify gains but will also magnify losses. The expense paid on borrowings will erode the income and gains generated by leveraged positions. If asset values decline, a Manager may be forced to unwind and liquidate leveraged positions at an inopportune time. Leveraged investment vehicles may be more sensitive to adverse business or financial developments or economics factors, such as changing interest rates. In addition, lenders (or counterparties to derivative instruments used for leverage purposes) may impose certain restrictions on the use of cash and other assets, as well as certain investment restrictions. Such restrictions may have an adverse effect on the ability of Managers and/or clients to make certain investments, conduct their business, or pay withdrawal proceeds. Further, there is no guarantee that attractive leverage opportunities or terms will be available, or will be retained, on favorable terms or at all, for all clients that wish to incorporate leverage into their investment strategies.

Risks of Concentration of Investments. While we attempt to diversify portfolios among a range of Managers with different strategies, there is a risk of inadvertent excess concentration and, therefore, excess exposure to a particular issuer, security, industry sector or geographic region. Additionally, Managers may be relatively concentrated as to investments. Limitations as to strategy, amount of capital or analytical resources can lead to significant concentration practices among Managers. Concentration of investments in a limited number of issuers or securities, industries, industry groups or countries or regions can increase investment risk and portfolio volatility. Accordingly, client portfolios may be subject to greater risk of loss than if they were invested directly in a diversified portfolio of securities, and the failure or poor performance of any one Manager could have a material adverse effect on overall portfolio performance.

Highly Competitive Market for Investment Opportunities. The activity of identifying and investing in private investment vehicles is highly competitive and involves a high degree of uncertainty. There can be no assurance that we will be able to identify and complete investments that satisfy our clients' investment objectives. The success of our investment strategies depends on the availability of appropriate investment opportunities and our ability to identify, adequately diligence, select, gain access to, and consummate such investments. There can be no assurance that suitable investments will be available at any given time, and to the extent that any portion of a client's capital is not invested, the potential for return will be diminished.

Short Selling. A Manager may engage in short selling (selling securities they do not own). While short selling may be used for risk management or hedging purposes, as well as to create profit opportunities, there is substantial risk to this strategy because the Manager may be required to cover its short positions (the purchase of the securities to replace those borrowed and delivered on sale) involuntarily or otherwise and there is no limitation on the potential upward movement of

the purchase price. Short selling can also involve significant borrowing and other costs which can reduce the profit or create losses in particular positions.

Options and Other Derivatives. We and any Manager may invest for risk management and/or speculative purposes in options, futures and/or other derivative instruments (collectively, “Derivatives”). The amount of leverage on Derivatives and, therefore, potential for gain and risk of loss, is substantially greater than that of the underlying interest. Derivatives may also be more volatile and less regulated than traditional debt and equity securities. Option trading entails an entirely distinct set of risks. Option positions may include both long positions, where the underlying portfolio is the holder of a put (an option to sell a security at a specified price) or a call (an option to buy a security at a specified price) option, as well as short positions, where the underlying portfolio is the seller (“writer”) of an option. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. The expiration of unexercised long option positions effectively results in the loss of the entire cost or premium paid for the option. The writing or selling of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in the cost of selling or purchasing the underlying securities in the event an option is exercised.

Hedging Limitations. We and any Manager may employ a variety of hedging techniques, the extent and effectiveness of which may vary. Most hedging techniques will be directed toward general market risks or certain Manager risks. There may be investment risks that will not be hedged or even capable of being hedged as a practical matter. Hedging techniques have a variety of limitations. Hedging against a decline in the value of a portfolio position by selling short, for example, does not eliminate fluctuations in the values of portfolio 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 overall portfolio positions’ value. Hedging through market index options may only protect against an overall market downturn, as compared with price declines in specific securities. Hedge transactions generally also limit the opportunity for gain if the value of the portfolio position should increase, due to the hedging cost or price decline in the hedging position. We and any Manager may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a portfolio from achieving the intended hedge or may expose the portfolio to risk of loss. Such losses can include losses on the hedged position, the attempted hedge position, or both, and could be substantial. There can be no assurance, therefore, that portfolios will be significantly hedged against investment risks or that such hedging strategies, if any, will prove successful.

Futures and Options on Futures. We and any Manager may invest in certain futures contracts, including stock index futures contracts, futures contracts on government securities, interest rates, foreign currencies, metals and energy products, and may trade options on such futures contracts, including purchasing call options, writing (selling) naked or covered call options and purchasing or selling put options on such futures contracts, and may also purchase or sell options on securities and securities indices. In addition, we and any Manager may enter into forward contracts, currency transactions and various swap and swap-like arrangements. Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in

futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to a portfolio. Moreover, futures positions are marked to market each day and variation margin payments may be required to be paid to or by the underlying client account. Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. If a liquid secondary market does not exist for such futures or options, it might not be possible to liquidate the position. No assurance can be given that an active market will exist for the contracts at any particular time. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, we or a Manager, as applicable, could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. In addition, the Commodity Futures Trading Commission (the "CFTC") and various exchanges impose speculative position limits on the number of positions a person or group may hold or control in particular commodities. Unlike trading on domestic futures exchanges, trading on foreign futures exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges.

Non-U.S. Futures Transactions. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the clients or a portfolio fund may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

Swap Contracts. A credit default swap ("CDS") is a contract between two parties that transfers the risk of loss if a company defaults in its obligation to pay principal or interest on time or files for bankruptcy. In the event of a default, the swap may be terminated and the purchaser of credit protection will receive from the counterparty, the person who wrote the protection, a payment of the agreed amount. We and any Manager may purchase for client accounts credit default protection as a hedge, or write credit default protection with a view to receiving spread income. We and any Manager also may purchase for any client account credit default protection even though the client account does not hold the referenced instrument. A total return swap ("TRS") is a two-party contract under which each party agrees to exchange with the other specified investment returns from investments or instruments. A TRS enables the client to gain exposure to an underlying credit instrument without actually owning the credit instrument. Generally, a total return (interest, fixed

fees and capital gains/losses on an underlying credit instrument) is paid to a counterparty in exchange for the receipt of a floating rate payment. The TRS investor pays none or only a fraction of the value of the total amount of the credit instrument that is referenced in the swap as collateral posted with the counterparty, so that the TRS is a leveraged investment in the underlying credit instrument. Certain of the derivatives transactions in which we engage are “over-the-counter” (“OTC”) contracts between clients and third parties entered into privately, rather than on an established exchange. In general, there is less government regulation and supervision of these transactions than those entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, are generally not available in connection with OTC transactions. OTC transactions are specifically tailored to the needs of the counterparties and enable the counterparties to structure precisely the date, market level and amount of a given position, as well as ancillary terms, conditions, and restrictions. The counterparty for these agreements will be the specific firm involved in the transaction, rather than a recognized exchange, and accordingly the bankruptcy or default of a counterparty with which a client account trades OTC contracts could result in substantial losses. In addition, the relative lack of evaluation and oversight of OTC transactions exposes our clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem with the counterparty and, as a result, there will be a loss in the investment. If the counterparty to a swap agreement defaults, then the client portfolio could lose the net amount of payments that it is contractually entitled to receive. If a client portfolio deposits collateral to support its obligation under a swap agreement, then the client portfolio could also lose those collateral deposits. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where we have concentrated our transactions with a single or small group of counterparties. Although we implement steps to mitigate such risks, and enter into transactions with counterparties we believe to be creditworthy, our evaluation of the creditworthiness of counterparties may not prove sufficient. The lack of a complete and foolproof evaluation of the financial capabilities of swap counterparties and the absence of credit evaluation and regulatory oversight of market participants may increase the potential for such losses. In addition, the counterparties with which we establish such relationships will not be obligated to maintain the capacity extended to client accounts, and such counterparties could decide to reduce or terminate such capacity at their discretion. In such instances, we might be unable to enter into a desired transaction on behalf of a client at attractive rates or at all.

Financing Arrangements. In certain circumstances, we or our Managers may use leverage as part of the investment strategy. The use of leverage not only increases risk, but also results in significant investment exposure. There can be no assurance that a client will be able to maintain adequate financing arrangements or to avoid having to close out positions at losses, which if held would have been profitable, due to an increase in margin requirements. As a general matter, the banks and dealers that provide financing will apply essentially discretionary margin, haircut, financing as well as security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory, or judicial action, may result in large margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other counterparties. Any such adverse effects

may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel us or our Managers to liquidate all or part of a client's portfolio at disadvantageous prices.

Master-Feeder Fund Structural Risks. The Funds invest via a master-feeder structure pursuant to which three feeder funds (and potentially more in the future) invest substantially all of their assets into the master fund. While the feeder funds share similar investment objectives, they may possess capital structures that differ from one another, different tax and regulatory regimes, and varying constraints on entering into leverage arrangements. The existence of multiple investment vehicles investing in the same portfolio presents certain unique risks to investors. Smaller investors may be materially affected by the actions of larger investment vehicles with exposure to the same master fund. For example, if a larger investment vehicle withdraws from the Funds, the remaining investors may experience higher pro rata operating expenses, producing lower returns, or a less diverse portfolio, resulting in increased portfolio risk. The master fund and the feeder funds within the master-feeder structure each constitute a single legal entity. Generally, creditors of a specific feeder fund may enforce claims against all assets of such fund, but not against the assets of the master fund, and creditors of the master fund may enforce claims against all assets of the master fund, but not against assets of the feeder funds. However, all assets of any particular fund may be available to meet all liabilities of such fund, even if the liability relates to a particular series of shares, class, sub-class, or tranche within such fund, as the case may be. In addition, the feeder funds have adopted different investment mandates with respect to the incorporation (or prohibition) of certain levels and forms of leverage permitted within their respective terms and conditions. Other than to the extent set forth in the fund's applicable governing documents, unlevered feeder funds will not participate in any leverage incurred by the master fund on behalf of levered feeder funds. However, the master fund may employ leverage with respect to the portion of its portfolio attributable to investors in levered feeder funds through borrowing and the use of derivative instruments. Such arrangements entail limited recourse in the event of a default solely to the assets of the master fund attributable to the applicable levered feeder funds, but such arrangements may indirectly impact other feeder fund clients through such factors as lender-imposed restrictions on the use of cash and other assets or certain investment restrictions pertaining to the assets of the master fund. Further, to satisfy financing requirements of levered feeder funds, portions of the master fund allocable to such feeder funds may be required to be disposed of, which may have an indirect effect on the portion of the master fund portfolio attributable to feeder funds that do not participate in such financing arrangements. For instance, due to required minimum investment levels of certain assets of the master fund, any such decreases may cause the master fund to entirely liquidate certain of its assets at values that are less than their cost or mark-to-market value. If levered feeder funds require the segregation of certain assets of the master fund for collateral or other purposes, the master fund may not be able as a practical matter to segregate a portion of an account for such purposes, as a partial redemption of such asset may require the consent of an underlying Manager or Investment Vehicle. As a consequence, the master fund may be required to forego otherwise attractive investment opportunities to avoid such administrative difficulties and potential conflicts of interest.

Fund Service Provider Risks. The Funds' multiple feeder fund structure creates additional dependence upon the master fund's custodian, counterparties, and other service providers, which are not controlled by Aptitude other than through contractual protections. Aptitude has endeavored

to structure feeder fund arrangements (where appropriate) in a manner that limits third party recourse to solely the assets attributable to each respective feeder fund's interest in the master fund, and has implemented processes to facilitate appropriate rebalancing designed to ensure that master fund assets attributable to unlevered feeder funds remain held in a sub-account that is legally segregated from any pledged assets. However, such measures may not be effective in all cases. Errors are inherent in the operation of any business, and any errors or misconduct on the part of the master fund's custodian, counterparties and service providers in connection with the segregation of assets, such as failing to identify assets attributable to the appropriate feeder fund, may result in the assets of the master fund being secured by other third parties, which could have a material adverse effect on the feeder funds. While it is anticipated that any such failings would be subject to contractual recourse to the responsible service provider, Aptitude cannot guarantee the degree to which such resource would be successfully obtained or the potential timing and costs of seeking such recourse.

Non-U.S. Counterparty Risks. In the course of its client transactions, Aptitude may utilize custodians, futures clearers, brokers, exchanges or counterparties that are organized outside of, and not subject to the laws of, the U.S. No assurance can be given that the laws of the jurisdiction in which a particular custodian, futures clearer, broker, exchange, or counterparty is located provide protections that are similar to, or as protective as, the laws of the U.S. For example, the bankruptcy or insolvency of a custodian, futures clearer, broker, exchange, or counterparty could result in Aptitude or clients being unable to recover all or any portion of assets at risk in any such transaction or could result in a substantial delay in such recovery.

Assumption of Business, Terrorism and Catastrophe Risks. Clients and Investment Vehicles may be subject to the risk of loss arising from direct or indirect exposure to various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on client portfolios and their underlying investments.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the clients and the portfolio funds interact, as well as the clients and the portfolio funds, are all subject to systemic risk. A systemic failure could have material adverse consequences on clients and the portfolio funds and on the markets for the securities in which clients and portfolio funds, as applicable, seek to invest.

Business, Legal, Tax and Other Regulatory Risks. Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect our and Managers' methods of doing business and costs of doing business. The regulatory environment for private investment vehicles continues to evolve, and changes in the regulation of private investment vehicles may adversely affect the value of client portfolios. The financial services industry generally and the activities of private investment vehicles and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. In addition, securities and futures markets are subject to extensive statutes, regulations and margin requirements. Various U.S. federal and state regulators, including the SEC, the CFTC, self-regulatory organizations and exchanges are authorized to take extraordinary

actions in the event of market emergencies. U.S. or non-U.S. rules or legislation regulating investment vehicles or advisers may be adopted and the possible scope of any rules or legislation is unknown. For example, recently enacted regulatory changes related to swap transactions may have an adverse effect on swap transactions to which our clients may directly or indirectly be a party, and may affect our and Managers' ability to engage in similar transactions on behalf of clients in the future. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. Such scrutiny may increase the exposure of Aptitude or Managers to potential liabilities and to legal, compliance, and other related costs. Increased regulatory oversight may also impose additional administrative burdens on Aptitude or Managers, including responding to examinations and investigations, implementing new policies and procedures, and complying with recordkeeping and reporting obligations, all of which have the potential to divert time, attention, and resources from portfolio management activities. There can be no assurance that these or any other regulatory changes or increased obligations will not adversely affect our client portfolios and the way in which we do business generally. In addition, Aptitude may be subject to regulation in foreign jurisdictions in which it engages in business and may be subject to new or additional regulatory constraints in the future. Such regulations may have a material impact on Aptitude's investment management activities on behalf of separately managed account clients or the Funds, including without limitation restricting the types of investments that may be made.

Litigation Risk. In the ordinary course of business, the Managers or the Investment Vehicles may from time to time be subject to litigation. In addition, Investment Vehicles may accumulate substantial positions in the securities of issuers that become involved in proxy contests or other litigation. As a result of such underlying investments, a Manager could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of an Investment Vehicle and consequently a client account, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time.

Technology Risk. Our strategies are dependent in part on information systems and technology. Any failure or deterioration of these systems or technology due to human error, data transmission failures, cyber-attacks or breaches or other causes could materially disrupt our operations. A cyber breach, disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services that we, or that third parties with whom we do business, use or affecting one of our offices, may affect our ability to continue to operate our business without interruption. We depend on the reliability and functionality of our computer systems, which by their nature are subject to a number of inherent and unpredictable risks. For example, from time to time, there may occur material errors in software programs that are either unrecognizable or not recognized for significant periods; software and/or hardware may malfunction or degrade; telecommunications failures, power loss or natural disasters may occur; and services provided by third party vendors may be interrupted. Breach of Aptitude's information systems may cause information relating to client transactions to be lost or improperly accessed, used, or disclosed. Although we have back-up facilities for our information systems as well as business continuity plans and protections in place, there can be no assurance that these will be sufficient to mitigate the harm that may result from such a breach, disaster or infrastructure disruption. In addition, insurance and other safeguards might only partially mitigate the effects of

such a breach, disaster or disruption. Further, we rely on third-party service providers for certain aspects of our business, including certain administrative and accounting operations with respect to our client accounts. Any breach at, or interruption or deterioration in the performance of, these third parties could impair the quality of client account operations. The loss or improper access, use, or disclosure of Aptitude's or its clients' proprietary information may cause Aptitude or its clients to suffer, among other things, financial loss, business disruption, liability to third parties, regulatory intervention, or reputational damage. Any such event could have a material adverse effect on clients and their investments.

Emerging Markets. We or our Managers may trade and invest in securities of companies or funds domiciled or operating in emerging countries. The securities markets of emerging countries are substantially smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and more developed countries. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and other major markets. There also may be a lower level of monitoring and regulation of the markets and the activities of investors in certain emerging markets, and enforcement of existing regulations, can be extremely limited. In addition, certain governments may require approval for, or otherwise restrict, the repatriation of investment income, capital or proceeds of sales of securities by foreign investors. War, governmental intervention, lack of capital, corruption, poor corporate management and limited resources are also common risks associated with investing in these markets.

Currency Risk. We or our Managers may hold investments on behalf of clients denominated in currencies other than the currency in which the client account is denominated. Currency exchange rates can be extremely volatile, and a variance in the degree of volatility of the market or in the direction of the market from our expectations may produce significant losses to client accounts. We or our Managers may attempt, in certain circumstances, to hedge all or any portion of the currency exposure of a client account. There can be no assurance that we or our Managers will be able to implement a successful strategy to hedge exchange rate risks or that appropriate instruments to hedge such risks will be available to us or our Managers. Furthermore, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in any particular currency, because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. To the extent unhedged, the value of a client's assets will fluctuate with currency exchange rates. Such fluctuations could have a material adverse effect on a client account.

Non-Recourse Risk. The governing agreements of Investment Vehicles in which we may invest on behalf of clients may limit the circumstances in which a Manager can be held liable to investors. As a result, investors may have a more limited right of action in certain cases than they would in the absence of such provisions, which may result in unexpected losses.

Receipt or Possession of Material Non-Public Information. Aptitude, in the course of its investment management and other activities, may come into possession of confidential or material non-public information about issuers, including issuers in which our clients have invested or have exposure through underlying investment vehicles. We are prohibited from improperly disclosing or using such information for our own benefit or for the benefit of any other person, regardless of whether such other person is a client. We maintain and enforce written policies and procedures

that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that we are meeting our obligations to clients and remaining in compliance with applicable law. In certain circumstances, we may possess confidential or material non-public information that, if disclosed, might be material to a decision to buy, sell, or hold a security, but we will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, we will have no responsibility or liability to the client for not disclosing such information to the client or using such information for the client's benefit, as a result of following our policies and procedures designed to provide reasonable assurances of our compliance with applicable law.

The above list is provided for illustrative purposes and is not intended to be exhaustive. Prospective clients or investors are encouraged to review this Form ADV in its entirety, along with all accompanying materials provided by Aptitude, as well as to consult with their own independent advisers, including without limitation detailed risk factors set forth in offering memoranda and written disclosures in client and prospect communications, prior to entering into an advisory relationship with Aptitude.

ITEM 9. DISCIPLINARY INFORMATION

This Item requests information relating to Aptitude. There are no reportable material legal or disciplinary events related to Aptitude. In the ordinary course of their business, Aptitude and its management persons, as well as GSAM (as defined below), GSAM Holdings LLC, GS Group, and Goldman Sachs & Co. LLC ("GS&Co") and their respective affiliates, directors, partners, trustees, managers, members, officers, employees and other personnel (collectively, "Goldman Sachs") and/or separately managed accounts (or separate accounts) and pooled investment vehicles such as mutual funds, collective trusts, and private investment funds that are sponsored, managed or advised by Goldman Sachs or Aptitude ("Advisory Accounts"), have in the past been, and may in the future be, subject to periodic audits, examinations, claims, formal and informal regulatory or other inquiries, requests for information, subpoenas, investigations, and other civil, legal or regulatory proceedings involving the SEC, other regulatory authorities, or private parties. Such actions, investigations, litigation and claims have the potential to result in findings, conclusions, settlements, charges or various forms of sanctions against Aptitude or its management persons, as well as Goldman Sachs and other Goldman Sachs personnel, including fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions and may increase the exposure of the Advisory Accounts, Aptitude and Goldman Sachs to potential liabilities and to legal, compliance and other related costs. Such actions or proceedings may involve claims of strict liability or similar risks against Advisory Accounts in certain jurisdictions or in connection with certain types of activities. Information about Aptitude's investment management affiliates is contained in Part 1 of each applicable Goldman Sachs Form ADV.

For information relating to other Goldman Sachs affiliates, please visit www.gs.com and refer to the public filings of GS Group.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities. We are currently registered with the Ontario Securities Commission and the British Columbia Securities Commission as a portfolio manager, investment fund manager, and exempt market dealer.

Conflicts Related to the Funds

Since January 1, 2013, we have served as the investment adviser to a private fund which was restructured on July 1, 2016 pursuant to which it became the master fund in a master-feeder structure, with the establishment of an additional feeder fund launched on January 1, 2017. An affiliate of Aptitude serves as general partner, or in a similar capacity, to the Funds, and securities in the Funds are offered on a private placement basis to Aptitude and its principals, affiliates, employees, and related persons/entities. We also offer interests in the Funds to certain qualified sophisticated investors unaffiliated with Aptitude. The master-feeder structure may create a conflict of interest in that different tax considerations for the master fund and the feeder funds may cause the master fund to structure or dispose of an investment in a manner that provides more advantageous tax treatment, or better (or worse) returns, to one or more feeder funds than to other feeder funds. Additionally, a feeder fund may trade and invest part of its capital for its own account, when presented with investment opportunities appropriate for it and its investors but that are not appropriate or optimal (for tax or other reasons) for direct and indirect investors in the master fund. The proprietary interest of Aptitude, its employees, and its affiliates in the Funds creates a potential conflict of interest for us to favor the Funds in selecting investment opportunities before those offered to other clients. As Aptitude, its employees, and its affiliates may, and typically do, have a disproportionate investment in one or more of the feeder funds, they therefore may benefit from any benefit derived disproportionately by that feeder fund. Conversely, because Aptitude, its employees, and certain related persons generally do not pay management fees in connection with their investments in the Funds, Aptitude may be deemed to have an incentive to favor feeder funds with fee-paying clients.

Conflicts Related to Change of Control

On December 27, 2018, we were acquired by HFS, an investment adviser registered with the SEC. HFS, together with various affiliates, some of which are also registered with the SEC as investment advisers (“Registered Advisers”), collectively comprise Goldman Sachs Asset Management (“GSAM”), which in turn is part of GS Group. GS Group is a public company that is a bank holding company, financial holding company and a world-wide, full-service financial services organization. As a result of our new ownership, there are new and additional conflicts of interest and potential conflicts of interest that apply to us, which are described below and in Item 11. Please also refer to the descriptions contained in Items 10 and 11 of the Form ADV Part 2A filed by HFS, which is available at

https://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VR_SN_ID=501712.

In the following sections, references to “Accounts” are to Goldman Sachs’ own accounts, accounts in which personnel of Goldman Sachs have an interest, and accounts of Goldman Sachs’ clients and pooled investment vehicles that Goldman Sachs sponsors, manages or advises (including, for the avoidance of doubt, Advisory Accounts). References to GSAM are to the asset management business of Goldman Sachs, which is carried out by various business units (also referred to as teams) within GSAM. Certain of these business units are the Registered Advisers themselves, while others are groups within the Registered Advisers.

Conflicts Relating to Relationships with Unaffiliated Advisers

GSAM may allocate Advisory Account assets to, or recommend, one or more investment advisers that are unaffiliated with Goldman Sachs (“Unaffiliated Advisers”), directly or indirectly, through, among other means, discretionary managed accounts or investment funds (including pooled investment vehicles and private funds) in which one or more Advisory Accounts invest (“Underlying Funds”). The interests and business relationships of Goldman Sachs (including GSAM) and its personnel may create potential conflicts in the selection or recommendation of Unaffiliated Advisers for, or the determination to increase allocations of assets to or withdraw assets from Unaffiliated Advisers on behalf of, Advisory Accounts.

Conflicts with respect to such determinations may arise because Goldman Sachs derives benefits from certain decisions made in respect of Unaffiliated Advisers. It is expected that Goldman Sachs may receive various forms of compensation, fees, commissions, payments, rebates, remuneration, services or other benefits (including benefits relating to investment and business relationships of Goldman Sachs) from Unaffiliated Advisers to which Advisory Accounts allocate assets, including for providing a variety of products and services (such as prime brokerage and research services) to such Unaffiliated Advisers. GSAM will be incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers that are themselves (or whose principals or employees are) Advisory Account clients or in respect of which GSAM receives fees or other compensation. GSAM may also be incentivized to allocate assets to, and refrain from withdrawing assets from, Unaffiliated Advisers for whom Goldman Sachs acts as prime broker or to whom Goldman Sachs provides brokerage or other services and research because of such relationships, including because payments to Goldman Sachs in respect of such activities and services will generally increase as the size of the assets that the Unaffiliated Adviser manages increases. Goldman Sachs may also benefit as a result of ownership or other interests of Goldman Sachs or Advisory Accounts in Unaffiliated Advisers or their businesses.

Subject to applicable law, the amount of such compensation, fees, commissions, payments, rebates, remuneration, services or other benefits to Goldman Sachs, or the value of Goldman Sachs’ interests in the Unaffiliated Advisers or their businesses, varies by Unaffiliated Adviser and will generally be greater if GSAM selects such Unaffiliated Advisers than they would be if GSAM selects other Advisers that might also be appropriate for the Advisory Accounts. For example, investment by an Advisory Account in an Underlying Fund where Goldman Sachs, an Account or a related party has a fee and/or profit sharing arrangement or other interest in the equity or profits of such Underlying Fund or the Unaffiliated Adviser may result in additional revenues, value or other benefits to Goldman Sachs and its personnel or related parties.

In addition, GSAM will face potential conflicts in making determinations as to whether one or more Advisory Accounts should invest or withdraw funds from Unaffiliated Advisers (or Underlying Funds they manage or advise) with which GSAM or Goldman Sachs has other business relationships, and whether GSAM should remove a particular Unaffiliated Adviser from GSAM's approved list of Unaffiliated Advisers. For example, Goldman Sachs, Advisory Accounts or other Accounts may have equity, profits or other interests in Unaffiliated Advisers or may have entered into arrangements with such Unaffiliated Advisers in which such Unaffiliated Advisers would share with Goldman Sachs, an Advisory Account or other Account a material portion of its fees or allocations (including, without limitation, fees earned by such Unaffiliated Advisers as a result of the allocation of Advisory Account assets to such Unaffiliated Advisers). Payments to Goldman Sachs (either directly from such Unaffiliated Advisers (or Underlying Funds they manage or advise) or in the form of fees or allocations payable by Advisory Accounts or other Accounts) will generally increase as the amount of assets that such Unaffiliated Advisers manage increases. Therefore, investment by Advisory Accounts with such Unaffiliated Advisers (or Underlying Funds they manage or advise) where Goldman Sachs, Advisory Accounts or other Accounts have a fee and/or profit sharing arrangement or other interest in the equity or profits of such Unaffiliated Advisers may result in additional revenues to Goldman Sachs and its personnel. The relationship that Goldman Sachs, Advisory Accounts and other Accounts have with such Unaffiliated Advisers may also result in GSAM being incentivized to increase Advisory Accounts' investments with such Unaffiliated Advisers or to retain their investments with such Unaffiliated Advisers (or Underlying Funds they manage or advise).

In addition, an Advisory Account, including Advisory Accounts such as Seeding Funds (as defined below) that engage in seeding transactions relating to the start-up of Unaffiliated Advisers, may obtain fees or investment terms with an Unaffiliated Adviser that benefit Goldman Sachs and other Accounts, which may result in the applicable Advisory Account receiving terms that are not as favorable to such Advisory Account as those it could have obtained for itself had benefits for Goldman Sachs and such other Accounts not been obtained. ("Seeding Funds" are investment vehicles managed by parts of GSAM that invest substantially all of their assets in Underlying Funds managed by Unaffiliated Advisers and allocate assets primarily to "start-up" advisers that have limited or no independent track records, as well as certain other advisers that are seeking seed or similar investments, in each case generally in exchange for rights to share in the advisers' management fees and/or performance-based compensation and/or other special rights that Seeding Funds may receive ("Profits Interests").) The Advisory Account and Goldman Sachs or such other Accounts may negotiate fees, investment terms or Profits Interests with an Unaffiliated Adviser on a collective basis and such fees or Profits Interests may not be as favorable to the Advisory Account as those it could have obtained had it negotiated with the Unaffiliated Adviser by itself. Goldman Sachs or another Account may also negotiate better investment terms, Profits Interests or other favorable arrangements with an Unaffiliated Adviser and an Advisory Account may not receive the benefit of such terms and arrangements.

Goldman Sachs (including, without limitation, GSAM) may receive notice of, or offers to participate in, investment opportunities from Unaffiliated Advisers, their affiliates or other third parties. Such investment opportunities may be offered to Goldman Sachs for various reasons, which may include business relationships with Unaffiliated Advisers or their affiliates or other

reasons, including that one or more Advisory Accounts have made investments with such Unaffiliated Advisers. Such opportunities will generally not be required to be allocated to such Advisory Accounts unless the opportunities are received pursuant to contractual requirements, such as preemptive rights or rights offerings, under the terms of the Advisory Accounts' investments with such Unaffiliated Advisers. Investment (or continued investment) by particular Advisory Accounts with such Unaffiliated Advisers may result in additional investment opportunities for Goldman Sachs or other Accounts. An Advisory Account will not be entitled to compensation in connection with investments that are not allocated to such Advisory Account (or not fully allocated to such Advisory Account) and are allocated to Goldman Sachs (including GSAM) or other Accounts (including other Advisory Accounts).

In addition, the fee structure of certain Advisory Accounts (pursuant to which GSAM may be required to compensate Unaffiliated Advisers out of the fee it receives from the Advisory Account) may incentivize GSAM to select Unaffiliated Advisers with lower compensation levels (including Unaffiliated Advisers that discount their fees based on aggregate account size or other relationships) in order to increase the net fee to GSAM, and not select other advisers that might also be appropriate for the Advisory Accounts. Fee breakpoints in an Advisory Account may also be affected by Goldman Sachs' business relationships and the size of Accounts other than the Advisory Account, and may directly or indirectly benefit Goldman Sachs and other Accounts. Advisory Accounts will not be entitled to any compensation with respect to such benefits received by Goldman Sachs and other Accounts.

The above conflicts of interest generally are mitigated by our implementation of an allocation policy and conflict of interest policies, which are summarized below. Aptitude seeks to resolve conflicts on a fair and equitable basis.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics. Aptitude strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, and fair dealing. We have adopted a code of ethics in accordance with Rule 204A-1 under the Advisers Act and implemented procedures relating to, among other things, portfolio management and trading practices, personal investment transactions, insider trading, use of confidential and proprietary information, outside business activities, and other potential conflicts of interest applicable to our business. These policies and procedures are designed to detect and prevent or otherwise mitigate actual conflicts of interest, as well as outlining our high standard of business conduct and reinforcing each employee's role in discharging our fiduciary duty to clients. Our code of ethics is documented in our Compliance Manual ("Manual"), a copy of which (along with any amendments) is provided to each employee. Each employee must certify that he or she has read, understands and agrees to comply with our Manual. Furthermore, each employee must certify annually that he or she has complied with the Manual. We review our compliance policies and procedures with all new employees and conduct periodic compliance training sessions with employees, either individually or in groups, as necessary or appropriate.

We require all of our employees to conduct themselves with integrity and dignity and act in a professional and ethical manner in all dealings on our behalf; use proper care and exercise

independent professional judgment in the execution of their duties; honor principles of fair dealing; avoid or disclose actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of our firm and our clients; and comply with all applicable federal securities laws.

Our Manual also requires all of our employees (“Access Persons”) to notify us of all of their securities holdings and accounts and submit to us within 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually. These policies generally apply to any personal transaction involving equity or debt securities (or derivative products related to these securities). The policy does not apply to transactions involving, among other limited exceptions, open-end mutual funds or other instruments which afford the investor no discretion over individual securities transactions. Our Manual also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities. We also restrict trading or require pre-clearance for trading in certain stocks for which we believe we may have received, or have a heightened risk of receiving, material non-public information, by use of a restricted/pre-clearance list. To date, we have treated all of our employees as Access Persons for purposes of the code of ethics requirements.

Our Manual sets forth guidance and policies pertaining to the identification, reporting, and management of conflicts of interest, which cover a range of topics. For example, we have adopted policies and procedures intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as investment managers, trading counterparties, vendors, or investors. Employees are required to report certain business gifts and are prohibited from accepting or giving certain types of business gifts. In addition, our Manual sets forth standards for business entertainment provided by third parties, outside business activities, political and charitable contributions, allocation of investment opportunities, compliance with anti-bribery statutes and requirements, and other business or personal practices that may have a potential to create an apparent or actual conflict of interest.

A copy of our code of ethics will be provided to any client or prospective client upon request.

Conflicts of Interest. We manage accounts of clients with similar investment strategies. Certain conflicts may arise from the fact that we may give advice or take action with respect to investments of one or more of our clients that may not be given to or taken with respect to other clients. Accordingly, clients with similar objectives or strategies may not hold the same securities or instruments or achieve the same performance. Certain of our employees and affiliates have or will have the opportunity to invest their monies in the Funds we manage. Subject to applicable laws and applicable client restrictions, from time to time we may buy or sell securities for clients at the same time we buy securities for the Funds. The Funds may hold the same investments as those held by one or more separately managed account clients. Aptitude may be viewed as having an incentive to favor the Funds with respect to allocation of investment opportunities. In order to minimize potential conflicts that could result in a benefit to Aptitude, we have adopted trade allocation policies and procedures described below. Aptitude will seek to allocate investment opportunities and trades to all clients on a fair and equitable basis over time.

Allocation of Investment Opportunities. We may manage or advise multiple clients (including the Funds) that have investment objectives that are similar and that may seek to make investments or redeem from investments in the same securities or other instruments, sectors, or strategies. This may create potential conflicts, particularly in circumstances where the availability or liquidity of investment opportunities is limited.

We have developed allocation policies and procedures designed to mitigate any such conflicts. Our overall policy with respect to the allocation of investment opportunities is to treat all clients in a fair and reasonable manner and in accordance with contractual obligations and fiduciary duties. We do not favor any client over any other client for any reason, including but not limited to the fee structure or amount of fees payable by a client. Generally, our policy is to allocate suitable opportunities among clients with similar strategies fairly and equitably, to the extent practicable, over a period of time. Such allocations may be made on a pro rata basis where such is in the best interests of clients. However, we recognize that a pro rata allocation may not always be feasible or in the best interests of our clients. The following is a non-exhaustive list of factors we may consider in making allocation determinations, which may result in a conclusion that a pro rata allocation is not appropriate, depending on the facts and circumstances:

- Investment objectives, investment strategy, and asset mix of each client;
- Investment time horizon;
- Equalization of investments (for example, two or more clients may have different levels of investment in an opportunity due to historical or other factors that are no longer present);
- Cash availability;
- Possible tax or regulatory ramifications or sensitivities;
- Timing restrictions;
- Overall risk profile of the opportunity relative to client risk tolerance;
- Adjustments necessary to meet minimum investment thresholds;
- Restrictions imposed by the Manager;
- Availability of other appropriate investment opportunities;
- Client mandate limitations or exclusions;
- Current investments held in client accounts similar to the applicable investment opportunity; and
- Such other factors as we determine to be relevant.

Among other things, certain clients may be limited or prohibited from making certain investments and, accordingly, allocations of investments to clients that are “plan assets” or non-plan assets may vary due to the clients’ ability or inability to make such investment. As a result of the various considerations above, there will be cases where certain client accounts receive an allocation of an investment opportunity when other accounts do not, or where allocations are made on a non-pro rata basis. The application of these considerations may cause differences in the performance of different client accounts that have similar strategies. In considering these factors, we will make subjective judgments in good faith, considering the best interests of each client, and will

periodically review allocations to ensure that no account is receiving preferential treatment in the allocation process.

Principal Transactions. Generally, we do not purchase or sell any securities for our own account to or from those of a client. In the event that we would consider entering into a principal transaction, we would comply with the requirements of applicable law, including Section 206(3) of the Advisers Act.

Cross Transactions. Under certain circumstances, we may arrange for a transaction between certain clients, in which one client buys a security from, or sells a security to, the account of another client (“cross transactions”). Cross transactions between client accounts may benefit both clients by eliminating or minimizing transaction costs and market impact costs. However, cross transactions between clients also involve potential conflicts of interest and are, in certain cases, prohibited by law. Accordingly, Aptitude has not historically recommended cross transactions between clients. Aptitude has adopted a policy pursuant to which no cross transaction shall be permitted unless we make a determination that such trade is provided on reasonable terms to both Aptitude clients involved, is consistent with Aptitude’s fiduciary duty to both clients, and is properly authorized, executed, and documented in accordance with applicable legal and regulatory requirements.

Participation or Interest in Client Transactions. When we determine it would be appropriate for clients, including the Funds, to participate in an investment opportunity, we will seek to execute orders for all participating accounts on a fair and equitable basis, and the investment opportunities and trades will be allocated consistently with our fiduciary duty. See Item 11 – “*Allocation of Investment Opportunities.*”

Differing Interests of Individual Investors. Individual investors in the Funds may have conflicting investment, tax, or other interests with respect to their investments. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of such investments, or the timing of disposition of investments. In such circumstances, we will prioritize the investment and other objectives of the applicable Fund as a whole, and not the investment or other objectives of any investor individually.

Additional Information Regarding Participation or Interest in Client Transactions as a Result of Our New Ownership by Goldman Sachs

As described above, we are now part of Goldman Sachs, a world-wide, full-service investment banking, broker-dealer, asset management and financial services organization and a major participant in global financial markets. Goldman Sachs provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high net-worth individuals. Goldman Sachs acts as an investment banker, research provider, investment adviser, financier, adviser, market maker, prime broker, derivatives dealer, lender, counterparty, agent, principal and investor. In those and other capacities, Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments, including securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments

and products for its own account and for the accounts of clients and of its personnel, through client accounts and the relationships and products it sponsors, manages and advises. Goldman Sachs has direct and indirect interests in the global fixed-income, currency, commodity, equities, bank loan and other markets, and the securities and issuers, in which the Advisory Accounts may directly and indirectly invest. As a result, Goldman Sachs' activities and dealings may affect Advisory Accounts in ways that may disadvantage or restrict Advisory Accounts and/or benefit Goldman Sachs or other Accounts (including Advisory Accounts). In managing conflicts of interest that may arise as a result of the foregoing, GSAM generally will be subject to fiduciary requirements. The following are descriptions of certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that GSAM and Goldman Sachs may have in transactions effected by, with, or on behalf of Advisory Accounts. In addition, GSAM's activities on behalf of certain other entities that are not investment advisory clients of GSAM may create conflicts of interest between such entities, on the one hand, and Advisory Accounts, on the other hand, that are the same as or similar to the conflicts that arise between Advisory Accounts, or between an Advisory Account on the one hand, and an Account on the other hand. The conflicts herein do not purport to be a complete list or explanation of the conflicts associated with the financial or other interests GSAM or Goldman Sachs may have now or in the future. Prior to making an investment in an Advisory Account that is a pooled investment vehicle, prospective investors are encouraged to read the offering materials relating to such Advisory Account. Please also refer to the descriptions contained in Items 10 and 11 of the Form ADV Part 2A filed by HFS, which is available at https://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VR_SN_ID=501712.

Certain Effects of the Activities of Goldman Sachs and Advisory Accounts

Goldman Sachs engages in a variety of activities in the global financial markets. The extent of Goldman Sachs' activities in the global financial markets, including without limitation in its capacity as an investment banker, research provider, investment adviser, financier, adviser, market maker, prime broker, derivatives dealer, lender, counterparty, agent, principal and investor, as well as in other capacities, may have potential adverse effects on Advisory Accounts. Goldman Sachs (including GSAM), the clients it advises, and its personnel have interests in and advise Accounts (including Advisory Accounts) that have investment objectives or portfolios similar to, related to or opposed to those of particular Advisory Accounts or, if applicable, the advisers to which they allocate assets ("Advisers"). Goldman Sachs may receive greater fees or other compensation (including performance-based fees) from such Accounts than it does from the particular Advisory Accounts. In addition, Goldman Sachs (including GSAM), the clients it advises, and its personnel may engage (or consider engaging) in commercial arrangements or transactions with Accounts, and/or may compete for commercial arrangements or transactions in the same types of companies, assets, securities and other instruments, as particular Advisory Accounts or, if applicable, particular Advisers. Decisions and actions of GSAM on behalf of a particular Advisory Account may differ from those by Goldman Sachs (including GSAM) on behalf of other Accounts, including Advisory Accounts. Advice given to, or investment or voting decisions made for, an Advisory Account may compete with, affect, differ from, conflict with, or involve timing different from, advice given to, or investment or voting decisions made for, other Accounts, including other Advisory Accounts.

Transactions by, advice to and activities of Accounts (including with respect to investment decisions, voting and the enforcement of rights) may involve the same or related companies, securities or other assets or instruments as those in which particular Advisory Accounts (or, if applicable, Advisers) invest, and such Accounts may engage in a strategy while an Advisory Account (or, if applicable, an Adviser) is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage the Advisory Account (including its ability to engage in a transaction or other activities) or the prices or terms at which the Advisory Account's transactions or other activities may be effected.

For example, Goldman Sachs may be engaged to provide advice to an Account that is considering entering into a transaction with a particular Advisory Account, and Goldman Sachs may advise the Account not to pursue the transaction with the particular Advisory Account, or otherwise in connection with a potential transaction provide advice to the Account that would be adverse to the particular Advisory Account. Additionally, an Advisory Account (or, if applicable, Adviser) may buy a security and an Account may establish a short position in that same security or in similar securities. This short position may result in the impairment of the price of the security that the Advisory Account (or, if applicable, Adviser) holds or may be designed to profit from a decline in the price of the security. An Advisory Account (or, if applicable, Adviser) could similarly be adversely impacted if it establishes a short position, following which an Account takes a long position in the same security or in similar securities. In addition, Goldman Sachs (including GSAM) may make filings in connection with a shareholder class action lawsuit or similar matter involving a particular security on behalf of an Account (including an Advisory Account), but not on behalf of a different Account (including a different Advisory Account) that holds or held the same security, or that is invested in or has extended credit to different parts of the capital structure of the same issuer. See Item 11, *"Investments in Different Parts of an Issuer's Capital Structure,"* for a discussion of certain additional conflicts associated with Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts), on the one hand, and a particular Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer.

To the extent an Advisory Account engages in transactions in the same or similar types of securities or other investments as other Accounts (including through other Advisory Accounts), such Advisory Account and other Accounts (including other Advisory Accounts) may compete for such transactions or investments, and transactions or investments by such other Accounts may negatively affect the investments of the Advisory Account (including the ability of the Advisory Account to engage in such a transaction or investment or other activities), or the price or terms at which the Advisory Account's transactions or investments or other activities may be effected. Moreover, a particular Advisory Account on the one hand, and Goldman Sachs or an Account (including through another Advisory Account), on the other hand, may vote differently on or take or refrain from taking different actions with respect to the same security, which may be disadvantageous to the Advisory Account.

Advisory Accounts may also have different rights in respect of an investment with the same issuer or underlying Adviser, or invest in different classes of the same issuer (including an Underlying Fund) that have different rights, including, without limitation, with respect to liquidity. For example, one or more Advisory Accounts may be permitted to redeem from or otherwise liquidate their investments in an Underlying Fund at times that another Advisory

Account cannot. The determination to exercise such rights by GSAM on behalf of certain Advisory Accounts may have an adverse effect on other Advisory Accounts.

GSAM may cause Advisory Accounts to invest, directly or indirectly, in securities, bank loans or other obligations of companies affiliated with Goldman Sachs, advised by Goldman Sachs (including GSAM) or in which Goldman Sachs or Accounts (including Advisory Accounts) have an equity, debt or other interest, or to engage in investment transactions that may result in Goldman Sachs or other Accounts (including through other Advisory Accounts) being relieved of obligations or otherwise divested of investments. For example, an Advisory Account may acquire securities or indebtedness of a company affiliated with Goldman Sachs directly or indirectly through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by Goldman Sachs. These activities by an Advisory Account may enhance the profitability of Goldman Sachs or other Accounts (including Advisory Accounts) with respect to their investment in and activities relating to such companies. Advisory Accounts will not be entitled to compensation as a result of this enhanced profitability.

Goldman Sachs may make loans to, or enter into margin, asset-based or other credit facilities or similar transactions with, clients, companies or individuals, that may (or may not) be secured by publicly or privately held securities or other assets, including by a client's assets or interests in an Advisory Account. Some of these borrowers may be public or private companies, or founders, officers or shareholders in companies in which Goldman Sachs or Advisory Accounts or other Accounts (directly or indirectly) invest, and such loans may be secured by securities of such companies, which may be the same as, *pari passu* with, or more senior or junior to, interests held (directly or indirectly) by Goldman Sachs, its Advisory Accounts or other Accounts. In connection with its rights as lender, Goldman Sachs may act to protect its own commercial interest and may take actions that adversely affect the borrower, including by liquidating or causing the liquidation of securities on behalf of a borrower or foreclosing and liquidating such securities in Goldman Sachs' own name. Such actions may adversely affect Advisory Accounts (e.g., if a large position in securities is liquidated, among the other potential adverse consequences, the value of such security may decline rapidly and Advisory Accounts holding (directly or indirectly) such security may in turn decline in value or may be unable to liquidate their positions in such security at an advantageous price or at all). For a discussion of certain additional conflicts associated with Goldman Sachs or Accounts, on the one hand, and a particular Advisory Account, on the other hand, investing in or extending credit to different parts of the capital structure of a single issuer, see Item 11, *"Investments in Different Parts of an Issuer's Capital Structure."*

Subject to applicable law, Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts and Accounts formed to facilitate investment by personnel of Goldman Sachs) may invest in or alongside particular Advisory Accounts that are pooled investment vehicles. These investments may be on terms more favorable than those of an investment by Advisory Accounts in such a pooled investment vehicle, may constitute a substantial percentage of the assets of the pooled investment vehicle, and may result in particular Advisory Accounts being allocated a smaller share of the investment than would be the case absent the side-by-side investment. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem or withdraw interests in these pooled investment vehicles at any time without notice to or

regard to the effect on the portfolios of Advisory Accounts invested in the pooled investment vehicle, which may be adversely affected by any such redemption or withdrawal. Substantial requests for redemption or withdrawal by Goldman Sachs in a concentrated period of time could require a pooled investment vehicle to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the redemptions or withdrawals, adversely affecting the pooled investment vehicle and its investors, including Advisory Accounts. For example, due to the requirements of the Volcker rule (the “Volcker Rule”) contained within the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended (the “Dodd-Frank Act”) and other requirements under the Bank Holding Company Act of 1956, as amended (“BHCA”), Goldman Sachs and certain Goldman Sachs personnel have disposed of, and continue to dispose of, investments in certain pooled investment vehicles, including through redemptions and withdrawals, which have been and may continue to be substantial and have the adverse effects described above. See Item 11, “*Firm Policies and Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts.*”

The terms of an investment in an Account formed to facilitate investment by personnel of Goldman Sachs are typically different from, and may be more favorable than, those of an investment by a third-party investor in an Advisory Account. For example, investors in such an Account generally are not subject to management fees or performance-based compensation, may share in the performance-based compensation, may not have their commitments pledged under a subscription facility, and may receive capital calls, distributions and information regarding investments at different times than third-party investors. In addition, to the extent permitted by law, certain investors in such an Account may be provided leverage by Goldman Sachs. In the event of a substantial decline in the value of such Account’s investments, the leverage, if any, provided to employees may have the effect of rendering the investments by employees effectively worthless, which could undermine the potential alignment of interest between employees and third-party investors. In certain circumstances, subject to applicable law, including the Dodd-Frank Act, Goldman Sachs may offer to purchase, redeem or liquidate the interests held by one or more investors in such an Account (potentially on terms advantageous to such Account’s investors) or to release one or more investors in such an Account from their obligations to fund capital commitments without offering third-party investors the same or a similar opportunity.

Goldman Sachs (including GSAM) may create, write, sell, issue, invest in or act as placement agent or distributor of derivative instruments related to Advisory Accounts such as pooled investment vehicles, or with respect to underlying securities or assets of an Advisory Account, or which may be otherwise based on or seek to replicate or hedge the performance of an Advisory Account. Such derivative transactions, and any associated hedging activity, may differ from and be adverse to the interests of Advisory Accounts. For example, derivative transactions could represent leveraged investments in an Underlying Fund that is a hedge fund, and the leveraged characteristics of such investments could make it more likely, due to events of default or otherwise, that there would be significant redemptions of interests from such Underlying Fund more quickly than might otherwise be the case. Goldman Sachs, acting in commercial capacities in connection with such derivative transactions, may in fact cause such a redemption. Activities in respect of derivative transactions, and any associated hedging activity, may occur as a result of Goldman Sachs’ adjustment in assessment of an investment or Adviser based on various

considerations, and Goldman Sachs will not be under any obligation or other duty to provide notice to Advisory Accounts in respect of any such adjustment in assessment.

Goldman Sachs (including, as applicable, GSAM) and its personnel, when acting as an investment banker, research provider, investment adviser, financier, adviser, market maker, prime broker, derivatives dealer, lender, counterparty or investor, or in other capacities, may advise on transactions, make investment decisions or recommendations, provide differing investment views or have views with respect to research or valuations that are inconsistent with, or adverse to, the interests and activities of Advisory Accounts. Accounts may be offered access to advisory services through several different Goldman Sachs advisory businesses (including GS&Co. and GSAM). Different advisory businesses within Goldman Sachs manage Accounts according to different strategies and may also apply different criteria to the same or similar strategies and may have differing investment views in respect of an issuer or a security or other investment. Similarly, within GSAM certain investment teams or portfolio managers may have differing or opposite investment views in respect of an issuer or a security, and the positions an investment team or portfolio manager takes in respect of an Advisory Account it manages may be inconsistent with, or adverse to, the interests and activities of Advisory Accounts advised by other GSAM investment teams or portfolio managers. Moreover, research, analyses or viewpoints may be available to clients or potential clients at different times. Goldman Sachs will not have any obligation or other duty to make available to Advisory Accounts any research or analysis prior to its public dissemination. Goldman Sachs, on behalf of one or more Accounts (including Advisory Accounts), may implement an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for Advisory Accounts (whether or not the investment decisions emanate from the same research analysis or other information). The relative timing for the implementation of investment decisions or strategies for particular Advisory Accounts, on the one hand, and other Accounts (including Advisory Accounts), on the other hand, may disadvantage the Advisory Accounts. Certain factors, for example, market impact, liquidity constraints, or other circumstances, could result in Advisory Accounts receiving less favorable trading results or incurring increased costs associated with implementing such investment decisions or strategies, or being otherwise disadvantaged.

GSAM may, in its discretion, recommend that Advisory Accounts and/or certain of their portfolio companies have ongoing business dealings, arrangements or agreements with persons who are former employees of Goldman Sachs or are otherwise associated with an Advisory Account investor, portfolio company, or service provider. The Advisory Accounts and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. These recommendations, and recommendations relating to continuing any such dealings, arrangements or agreements, may pose conflicts of interest due to Goldman Sachs' relationships with such former employees or persons otherwise associated with an investor in an Advisory Account, portfolio company or service provider.

Investments in Different Parts of an Issuer's Capital Structure

Goldman Sachs (including GSAM) or Accounts (including Advisory Accounts), on the one hand, and a particular Advisory Account, on the other hand, may invest in or extend credit to different parts of the capital structure of a single issuer. As a result, Goldman Sachs (including

GSAM) or Accounts may take actions that adversely affect the particular Advisory Account. In addition, Goldman Sachs (including GSAM) may advise Accounts with respect to different parts of the capital structure of the same issuer, or classes of securities that are subordinate or senior to securities, in which a particular Advisory Account invests. Goldman Sachs (including GSAM) may pursue rights, provide advice or engage in other activities, or refrain from pursuing rights, providing advice or engaging in other activities, on behalf of itself or Accounts with respect to an issuer in which a particular Advisory Account has invested, and such actions (or refraining from action) may have a material adverse effect on such Advisory Account.

For example, in the event that Goldman Sachs (including GSAM) or an Account holds loans, securities or other positions in the capital structure of an issuer that ranks senior in preference to the holdings of a particular Advisory Account in the same issuer, and the issuer experiences financial or operational challenges, Goldman Sachs (including GSAM), acting on behalf of itself or the Account, may seek a liquidation, reorganization or restructuring of the issuer, or terms in connection with the foregoing, that may have an adverse effect on or otherwise conflict with the interests of the particular Advisory Account's holdings in the issuer. In connection with any such liquidation, reorganization or restructuring, a particular Advisory Account's holdings in the issuer may be extinguished or substantially diluted, while Goldman Sachs (including GSAM) or an Account may receive a recovery of some or all of the amounts due to them. In addition, in connection with any lending arrangements involving the issuer in which Goldman Sachs (including GSAM) or an Account participates, Goldman Sachs (including GSAM) or the Account may seek to exercise their rights under the applicable loan agreement or other document, which may be detrimental to the particular Advisory Account. Alternatively, in situations in which an Advisory Account holds a more senior position in the capital structure of an issuer experiencing financial or other difficulties as compared to positions held by other Accounts (which may include those of Goldman Sachs including GSAM), GSAM may determine not to pursue actions and remedies that may be available to the Advisory Account or enforce particular terms that might be unfavorable to the Accounts holding the less senior position. In addition, in the event that Goldman Sachs (including GSAM) or the Accounts hold voting securities of an issuer in which a particular Advisory Account holds loans, bonds or other credit-related assets or securities, Goldman Sachs (including GSAM) or the Accounts may vote on certain matters in a manner that has an adverse effect on the positions held by the Advisory Account. Conversely, Advisory Accounts may hold voting securities of an issuer in which Goldman Sachs (including GSAM) or Accounts hold credit-related assets or securities, and GSAM may determine on behalf of the Advisory Accounts not to vote in a manner adverse to Goldman Sachs (including GSAM) or the Accounts.

These potential issues are examples of conflicts that Goldman Sachs (including GSAM) will face in situations in which Advisory Accounts, and Goldman Sachs (including GSAM) or other Accounts, invest in or extend credit to different parts of the capital structure of a single issuer. Goldman Sachs (including GSAM) addresses these issues based on the circumstances of particular situations. For example, Goldman Sachs (including GSAM) may determine to rely on information barriers between different Goldman Sachs (including GSAM) business units or portfolio management teams. GSAM may have the right, in its sole discretion, to utilize, on a case-by-case basis, a committee of investors in an Advisory Account or other persons to provide advice or consent with respect to one or more transactions or actions. Goldman Sachs (including

GSAM) may determine to rely on the actions of similarly situated holders of loans or securities rather than, or in connection with, taking such actions itself on behalf of the Advisory Account.

As a result of the various conflicts and related issues described above and the fact that conflicts will not necessarily be resolved in favor of the interests of particular Advisory Accounts, Advisory Accounts could sustain losses during periods in which Goldman Sachs (including GSAM) and other Accounts (including Advisory Accounts) achieve profits generally or with respect to particular holdings in the same issuer, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed. The negative effects described above may be more pronounced in connection with transactions in, or Advisory Accounts or, if applicable, Advisers utilizing, small capitalization, emerging market, distressed or less liquid strategies.

Considerations Relating to Information Held by Goldman Sachs

Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs. As a result of information barriers, GSAM generally will not have access, or will have limited access, to information and personnel in other areas of Goldman Sachs, and generally will not manage the Advisory Accounts with the benefit of information held by these other areas. Goldman Sachs, due to its access to and knowledge of funds, markets and securities based on its prime brokerage and other businesses, may make decisions based on information or take (or refrain from taking) actions with respect to interests in investments of the kind held (directly or indirectly) by Advisory Accounts in a manner that may be adverse to Advisory Accounts, and will not have any obligation or other duty to share information with GSAM.

Information barriers also exist between certain businesses within GSAM and within each Registered Adviser, and the conflicts described herein with respect to information barriers and otherwise with respect to Goldman Sachs and GSAM will also apply to the businesses within GSAM and within the Registered Advisers. There may also be circumstances in which, as a result of information held by certain portfolio management teams in GSAM, GSAM limits an activity or transaction for Advisory Accounts, including Advisory Accounts managed by portfolio management teams other than the team holding such information.

In addition, regardless of the existence of information barriers, Goldman Sachs will not have any obligation or other duty to make available for the benefit of Advisory Accounts any information regarding Goldman Sachs' trading activities, strategies or views, or the activities, strategies or views used for other Advisory Accounts or other Accounts. Furthermore, to the extent that GSAM has access to fundamental analysis and proprietary technical models or other information developed by Goldman Sachs and its personnel, or other parts of GSAM, GSAM will not be under any obligation or other duty to effect transactions on behalf of Advisory Accounts in accordance with such analysis and models. In the event Goldman Sachs or GSAM elects not to share certain information with Advisory Accounts, such Advisory Accounts may make investment decisions that differ from those they would have made if Goldman Sachs or GSAM had provided such information, which may be disadvantageous to the Advisory Account.

Different areas of GSAM and Goldman Sachs may take views, and make decisions or recommendations, that are different than other areas of GSAM and Goldman Sachs. Different portfolio management teams within GSAM may make decisions based on information or take (or refrain from taking) actions with respect to Advisory Accounts they advise in a manner that may be different than or adverse to other Advisory Accounts. Such teams may not share information with other portfolio management teams within GSAM (or other areas of Goldman Sachs), including as a result of certain information barriers and other policies, and will not have any obligation or other duty to do so.

Goldman Sachs operates a business known as Goldman Sachs Securities Services (“GSS”), which provides prime brokerage, administrative and other services to clients which may involve Underlying Funds or markets and securities in which HFS Advisory Accounts or other Advisory Accounts invest. GSS and other parts of Goldman Sachs have broad access to information regarding the current status of certain markets, investments and funds and detailed information about fund operators that is not available to GSAM. In addition, Goldman Sachs may act as a prime broker to one or more Underlying Funds, in which case Goldman Sachs will have information concerning the investments and transactions of such Underlying Funds that is not available to GSAM. As a result of these and other activities, parts of Goldman Sachs may be in possession of information in respect of markets, investments, Advisers and Underlying Funds, which, if known to GSAM, might cause GSAM to seek to dispose of, retain or increase interests in investments held by Advisory Accounts or acquire certain positions on behalf of Advisory Accounts, or take other actions. Goldman Sachs will be under no obligation or other duty to make any such information available to GSAM or personnel involved in decision-making for Advisory Accounts.

Goldman Sachs May Act in Multiple Commercial Capacities

Goldman Sachs may provide various services to companies in which Advisory Accounts have an interest, or to Advisory Accounts or Underlying Funds, which may result in fees, compensation and remuneration, as well as other benefits, to Goldman Sachs. Such fees, compensation and remuneration may be substantial. For example, Goldman Sachs may be hired by GSAM on behalf of an Advisory Account or directly by an Advisory Account, or by an Underlying Fund or a company in which an Advisory Account has an interest, to provide investment advisory, custody, distribution, transfer agency, administrative, lending or other services (including legal, accounting and other back office services) to the Advisory Account, company or Underlying Fund. In addition, Goldman Sachs may act as broker, dealer, agent, counterparty, lender or advisor or in other commercial capacities for Advisory Accounts, Underlying Funds or companies in which Advisory Accounts have an interest. An example of this is that a company in which an Advisory Account has an interest may hire Goldman Sachs to provide underwriting, merger advisory, other financial advisory, placement agency, foreign currency hedging, research, asset management services, brokerage services or other services to the company.

In connection with providing such services, Goldman Sachs may take commercial steps in its own interest, or may advise the parties to which it is providing services, or take other actions, any of which may have an adverse effect on Advisory Accounts. For example, Goldman Sachs may require repayment of all or part of a loan from a company in which Advisory Accounts hold an interest, which could cause the company to default or be required to liquidate its assets more

rapidly, which could adversely affect the value of the company and the value of the Advisory Accounts invested therein. Goldman Sachs may also advise such a company to make changes to its capital structure the result of which would be a reduction in the value or priority of a security held (directly or indirectly) by Advisory Accounts. Actions taken or advised to be taken by Goldman Sachs in connection with other types of transactions may also result in adverse consequences for Advisory Accounts.

Providing services to the Advisory Accounts, Underlying Funds and companies in which the Advisory Accounts invest may enhance Goldman Sachs' relationships with various parties, facilitate additional business development and enable Goldman Sachs to obtain additional business and generate additional revenue. Advisory Accounts will not be entitled to compensation related to any such benefit to businesses of Goldman Sachs or GSAM. Please see Item 11, "*Certain Effects of the Activities of Goldman Sachs and Advisory Accounts.*"

Goldman Sachs' activities on behalf of its clients may also restrict investment opportunities that may be available to Advisory Accounts. For example, Goldman Sachs is often engaged by companies as a financial advisor, or to provide financing or other services, in connection with commercial transactions that may be potential investment opportunities for Advisory Accounts. There may be circumstances in which Advisory Accounts are precluded from participating in such transactions as a result of Goldman Sachs' engagement by such companies. Goldman Sachs reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on Advisory Accounts. Goldman Sachs (including GSAM) may also represent creditor or debtor companies in proceedings under Chapter 11 of the U.S. Bankruptcy Code (and equivalent non-U.S. bankruptcy laws) or prior to these filings. From time to time, Goldman Sachs (including GSAM) may serve on creditor or equity committees. These actions, for which Goldman Sachs (or GSAM, as applicable) may be compensated, may limit or preclude the flexibility that the Advisory Account may otherwise have to buy or sell securities issued by those companies, as well as certain real estate or other assets. Please also refer to Item 11, "*Considerations Relating to Information Held by Goldman Sachs*" above and "*Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts*" below.

Side Letters or Similar Arrangements

GSAM may, subject to applicable law and GSAM policies, enter into confidential side letters or similar agreements or other arrangements with investors, without the approval or vote of any other investor, that amend, modify or supplement the economic, legal or other terms applicable to those investors. GSAM will consider many factors in deciding whether to grant investors in an Advisory Account customized terms via a confidential side letter or similar agreement or other arrangement, and investors receiving preferential terms may include: (a) investors that have made or have proposed to make relatively large commitments to the Advisory Account, (b) investors that provide leverage to the Advisory Account, (c) investors that have a multi-strategy, multi-asset class or multi-product investment program with GSAM, (d) investors that are subject to specific legal, tax or regulatory status or other requirements or policies applicable to them and (e) investors meeting other criteria GSAM considers reasonable in its discretion. These agreements may involve, among other matters: (i) different economic arrangements based upon the size or timing of capital commitments; (ii) certain investors receiving customized information and reporting in addition to or more expeditiously than information and reporting received by

investors generally; (iii) agreements to permit representatives of certain investors to serve on an investment advisory committee; (iv) rights to sell or transfer interests in the applicable Advisory Account (v) assistance reselling securities or other property distributed by such Advisory Account; (vi) provisions necessary to comply with particular tax, legal, regulatory, public policy or other considerations; (vii) excuse or exclusion rights applicable to particular investments or withdrawal rights from the investment vehicle (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, future investments, and reduce the overall size of the Advisory Account); (viii) the offering of co-investment opportunities; (ix) waiver of certain confidentiality obligations and the right to disclose certain information to underlying investors, to the public or to regulators, (x) requirements in respect of distributions required to be returned by such investors in respect of the obligations of such Advisory Account, (xi) modifications to the investor's subscription agreement, and (xii) different arrangements with respect to the indemnification obligations of investors.

Investment Opportunities Sourced by Goldman Sachs and GSAM

Goldman Sachs businesses outside of GSAM are under no obligation or other duty to provide investment opportunities to Advisory Accounts, and generally are not expected to do so. Further, opportunities sourced within particular portfolio management teams within GSAM may not be allocated to Advisory Accounts managed by such teams or by other teams. Opportunities not allocated (or not fully allocated) to Advisory Accounts may be undertaken by Goldman Sachs (including GSAM), including for Goldman Sachs Accounts, or made available to other Accounts or third parties.

Firm Policies, Regulatory Restrictions, and Certain Other Factors Affecting Advisory Accounts

GSAM may restrict its investment decisions and activities on behalf of an Advisory Account in various circumstances, including as a result of applicable regulatory requirements, information held by GSAM or Goldman Sachs, Goldman Sachs' roles in connection with other clients and in the capital markets (including in connection with advice it may give to such clients or commercial arrangements or transactions that may be undertaken by such clients or by Goldman Sachs), Goldman Sachs' internal policies and/or potential reputational risk in connection with Accounts (including Advisory Accounts). GSAM might not engage in transactions or other activities for, enforce certain rights in favor of, or recommend transactions or activities to, an Advisory Account due to Goldman Sachs' activities outside the Advisory Account and regulatory requirements, policies and reputational risk assessments.

Different areas of Goldman Sachs may come into possession of material non-public information regarding an issuer of securities held by an Underlying Fund in which an Advisory Account invests. In the absence of information barriers between such different areas of Goldman Sachs, the Advisory Account may be prohibited, including by internal policies, from redeeming from such Underlying Fund during the period such material non-public information is held by such other part of Goldman Sachs, which period may be substantial. As a result, the Advisory Account may not be permitted to redeem from an Underlying Fund in whole or in part during periods when it otherwise would have been able to do so, which could adversely affect the

Advisory Account. Other investors in the Underlying Fund that are not subject to such restrictions may be able to redeem from the Underlying Fund during such periods.

GSAM may determine to limit or not engage at all in transactions and activities on behalf of Advisory Accounts for reputational or other reasons. Examples of when such determinations may be made include, but are not limited to, where Goldman Sachs is providing (or may provide) advice or services to an entity involved in such activity or transaction, where Goldman Sachs or an Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the Advisory Account, where Goldman Sachs or another Account has an interest in an entity involved in such activity or transaction, where there are political, public relations, or other reputational considerations relating to counterparties or other participants in such activity or transaction or where such activity or transaction on behalf of or in respect of the Advisory Account could affect in tangible or intangible ways Goldman Sachs, GSAM, an Account or their activities. Please also refer to Item 11, “*Goldman Sachs May Act in Multiple Commercial Capacities.*”

From time to time, an Advisory Account, GSAM or its affiliates and/or their service providers or agents may be required, or may determine that it is advisable, to disclose certain information about an Advisory Account, including, but not limited to, investments held by the Advisory Account, and the names and percentage interest of beneficial owners thereof, to third parties, including Advisers, local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, GSAM, Advisers or Underlying Funds or the Advisory Account. Unless agreed in the agreement governing the Advisory Account or otherwise directed by a client, GSAM will comply with requests to disclose such information as it so determines, including through electronic delivery platforms. If GSAM is not permitted to make certain required disclosures in respect of an Advisory Account, GSAM may determine to cause the sale of certain assets for the Advisory Account, and such sale may be at a time that is inopportune from a pricing or other standpoint.

Conflicts of Interest Associated with Unaffiliated Advisers

Unaffiliated Advisers have interests and relationships that may create conflicts of interest related to their management of the accounts and Underlying Funds to which Advisory Account assets are allocated. Such conflicts of interest are in many cases the same as or similar to those relating to GSAM in connection with its management of Advisory Accounts. However, the Unaffiliated Advisers may be subject to different and additional conflicts of interest. With respect to Advisory Accounts that are invested directly in Underlying Funds managed by Unaffiliated Advisers, additional information about conflicts of interest that may arise in connection with the activities of Unaffiliated Advisers of those Underlying Funds is available in the prospectuses, offering memoranda and constituent documents of the Underlying Funds.

ITEM 12. BROKERAGE PRACTICES

Our investment management services are generally focused on advice with respect to investments in private investment vehicles. In most cases, these investments are made directly through the issuer, without the involvement of a broker-dealer or with only the involvement of a single broker-

dealer acting as placement agent. As such, investments in private investment vehicles directed by us generally do not involve brokerage determinations. As part of our due diligence process, where applicable, we review the brokerage and soft dollar arrangements of these private investment vehicles. Nevertheless, to the extent that we have discretion with respect to broker-dealer selection, either for an investment, any other security purchase or sale or any hedging strategy or position, we seek best execution for each trade. In determining best execution, we may consider a number of judgmental factors, including, without limitation, price; execution, clearance and settlement capabilities; quality of confirmations and account statements; the ability of the broker-dealer to settle the trade promptly and accurately; the financial standing, reputation and integrity of the broker-dealer; the broker-dealer's access to markets; research capabilities; market knowledge; any "value added" characteristics; and our past experience with the broker-dealer, past experience with similar trades and other factors. Recognizing the value of these factors, a client account may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Certain broker-dealers may provide us with research products and services, including research reports on particular industries and companies, economic surveys and analyses, advice from legal, strategic, financial and industry consultants and advisors, recommendations as to specific investment securities and other products and services providing lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. We may take into account in determining best execution a higher commission rate based on the value of such research products and services provided to us (so-called "soft dollars"). We have not, however, entered into any soft dollar commitments or arrangements to date and do not have plans to enter into such arrangements in the future. To the extent that this changes, any use of soft dollars generated by clients to pay for research and research-related products or services is expected to fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by one or more of our clients may be used by us to service the accounts of other clients, to the extent permissible under applicable laws and regulations.

Although we typically do not aggregate the orders of different clients, we may execute a single transaction and allocate portions of the resulting position among multiple clients where appropriate and practicable, if we believe such aggregation is in the interests of, or does not harm, clients. Clients participating in an aggregated order generally will receive the average price of any transactions executed pursuant to an aggregated order. Aggregated orders and the transaction costs associated with aggregated orders would generally be allocated pro rata among all participating clients in accordance with the level of their participation in the order, but adjustments may be made to such allocations, such as to avoid excessively small allocations. Our investment strategy generally does not entail investments in which clients would receive any benefits from (nor incur additional costs as a result of refraining from) aggregating trades.

ITEM 13. REVIEW OF ACCOUNTS

Our Co-Chief Investment Officers and Chief Financial Officer, together, with other investment professionals, review client portfolios and accounts on a periodic, but not less than quarterly, basis. These reviews focus on initial and ongoing due diligence of external investment managers and

funds, investment and allocation decisions, compliance with any investment guidelines applicable to the client's portfolio, and the performance of accounts. A review may also be triggered by any unusual activity or special circumstances.

On a monthly basis, we generally provide to clients a written summary of account performance, including portfolio strategy exposure and manager allocations. However, the nature and frequency of such reports are negotiated with clients on an individual basis to suit the client's needs. All current clients also receive statements directly from, and/or have full direct access to the accounts maintained by, the applicable trustee/custodian or administrator.

Investors in the Funds customarily receive annual audited financial statements and monthly capital statements.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Aptitude and its advisory personnel are not compensated for client referrals, nor does Aptitude currently have arrangements with third-party solicitors whereby such third parties are compensated for client referrals. Aptitude has occasionally entered into such relationships in the past and may enter into similar relationships in the future. Any such solicitation or placement agent arrangements will be fully disclosed to affected clients or investors and will comply with the requirements of Rule 206(4)-3 under the Advisers Act, where applicable. In addition, we have, from time to time, retained consultants to provide assistance with analysis of strategic opportunities in specific regions. To the extent that prospective client introductions may constitute an element of such services, Aptitude enters into written agreements with such consultants providing that any such introductions must be undertaken in accordance with applicable laws and regulations, including Rule 206(4)-3 under the Advisers Act.

ITEM 15. CUSTODY

We do not serve as the qualified custodian of any client assets (including those of the Funds), nor do we have physical custody of any client assets. Actual custody of client assets is maintained at unaffiliated banks, broker-dealers, and other qualified custodians. We do not have custody of client investments in unrelated private investment vehicles as they are subscribed to by the client, are generally uncertificated and each investment is recorded in the name of the client on the books of the respective investment vehicle issuer. We generally do not accept, receive, retain, or physically control any cash, securities, or other assets forming any part of a client's portfolio or account. We have the ability to issue instructions in relation to the movement of client assets and cash, but only in accordance with the provisions of relevant agreements and mandates issued by the applicable client.

Aptitude is deemed to have constructive custody of certain separately managed account assets due to the nature of administrative support services provided to such clients. Specifically, Aptitude has authority to authorize certain asset disbursements in connection with standing authorizations clients have provided to qualified trustees. Such standing authorizations do not permit Aptitude to direct the payment of its own fees, but do permit Aptitude to direct the payment of client cash for such purposes as payment of third-party service provider expenses on a client's behalf.

Generally, separately managed account clients investing in private investment vehicles will be required to have a brokerage and/or bank account maintained with a qualified custodian and, pursuant to our investment management agreement with the client, to provide us with discretionary authority or power of attorney over such account(s) sufficient to enable us to invest the assets of the account in market overlay, hedging, and other transactions. Aptitude complies with the requirements of Rule 206(4)-2 under the Advisers Act and will be subject to an annual surprise audit conducted by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board with respect to such assets.

Each such client maintains client funds and securities with one or more qualified custodians in separate accounts under the applicable client's name, and clients receive quarterly, or more frequent, account statements directly from their custodians. Clients should carefully review the statements provided by the qualified custodians and are urged to compare such statements against account reporting provided by Aptitude. Clients should also promptly notify their custodian and us in the event they do not receive or have access to quarterly statements on a timely basis.

Aptitude is deemed to have constructive custody with respect to the assets of the Funds, because its general partner (where applicable) is an affiliate under our control, and we are authorized to deduct certain fees from the account of each underlying investor in the Funds, where applicable. We satisfy the applicable regulatory requirements related to custody by ensuring that (i) the Funds are each subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (ii) the audited financial statements are distributed to the Funds' underlying investors within 180 days of each applicable Fund's fiscal year end (the required statutory deadline in connection with funds of funds). The Funds' assets are typically comprised of interests in Investment Vehicles, represented by a subscription agreement, and cash, held in bank or brokerage accounts in the name of the applicable Fund.

ITEM 16. INVESTMENT DISCRETION

We have been granted discretionary authority to manage the securities accounts of certain of our clients pursuant to investment management agreements entered into with such clients or pursuant to a power of attorney. We endeavor to buy and sell securities and other instruments for our clients on a discretionary basis in a manner consistent with each client's stated investment objectives and restrictions. For clients that have selected our private investment vehicle overlay hedging strategy, we generally have discretion to direct the investments of client assets in hedging and other portfolio overlay transactions. Limitations on our investment discretion are set forth in each client's investment management agreement with us. Such limitations may include restrictions with respect to particular securities, allocations, or investment thresholds, diversification requirements, liquidity requirements, exposure limits, counterparty requirements, legal and regulatory constraints, restrictions on leverage, or such other constraints or guidelines as may be appropriate and applicable to the specific client. We have also been granted discretionary authority to trade for the Funds pursuant to the Funds' governing documents.

ITEM 17. VOTING CLIENT SECURITIES

Our clients' governing documents and investment management agreements generally provide us with full discretion to vote proxies and securities held in client accounts in a manner that serves the best interests of the applicable client. We have adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that we make on behalf of advisory clients and to help ensure that such decisions are made in accordance with our fiduciary obligations to clients. In voting securities held in a client account, we will attempt to resolve any conflict of interest between the client and our business interests in the way that will most benefit the client. We reserve the right, on occasion, to abstain from voting a proxy or a specific proxy item when we conclude that the cost of voting outweighs the potential benefit or when we otherwise do not believe voting serves in the applicable client's best interest. We maintain a Proxy Voting Policy and a record of how we have voted proxies, each of which are available to clients upon request. If a client wishes to vote its proxies in a manner that is different from our proxy voting policies and procedures, the client must contact us to arrange alternate procedures.

ITEM 18. FINANCIAL INFORMATION

Aptitude is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.