

LEUCADIA ASSET MANAGEMENT LLC
Jefferies Family Office Division

FORM ADV PART 2A

The Brochure

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This brochure provides information about the qualifications and business practices of Leucadia Asset Management LLC (“LAM”). If you have any questions about the contents of this brochure, please contact us at (212) 284-2300. 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. LAM is registered as an investment adviser with the SEC. Registration does not imply that a registered adviser has achieved a certain level of skill, expertise, or training in providing advisory services to its clients.

Additional information about LAM also is available on the SEC’s website at www.adviserinfo.sec.gov.

February 2024

Item 2. Material Changes

This is an annual filing for the Jefferies Family Office Division of Leucadia Asset Management LLC. While this filing to our Brochure contains updates to certain information, we do not believe these updates constitute material changes to our Brochure.

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Item 4. Advisory Business

Leucadia Asset Management LLC (“LAM”, the “Investment Manager”, or “we”), a registered investment adviser, is a wholly owned subsidiary of Jefferies Financial Group Inc. (“Jefferies”). LAM, established in 2002, has been registered as an investment adviser with the Securities and Exchange Commission (“SEC”) since January 2003. LAM provides investment advisory and portfolio management services to private investment funds and separately managed accounts. This Brochure relates only to the Investment Manager’s Jefferies Family Office Division (“JFO”). JFO engages in the business of offering advisory and portfolio management services to current senior employees, board members and senior advisers, certain members of Jefferies’ senior management and subsidiaries of Jefferies through private funds, including the Jefferies Private Equity Funds and the Jefferies Venture Capital Funds (each as defined below). Our other brochures describe other services which we offer outside of JFO.

Our principal place of business is in New York, New York, where we perform portfolio management, research, systems development, investment, operations, accounting, legal and compliance functions. Various affiliates of LAM perform administrative functions and services (such as Human Resources, Information Technology, Accounts Payable, Treasury, and Purchasing) in New York, New York, Jersey City, New Jersey and other U.S. locations of Jefferies and its subsidiaries.

JFO will initially serve as the investment manager of two distinct groups of investment offerings; (i) Jefferies Partners PE Fund 2023 LP, a Delaware limited partnership (the “U.S. PE Fund”) and Jefferies Partners PE Fund 2023 (Cayman) LP, a Cayman Islands exempted limited partnership (the “Non-U.S. PE Fund” and together with the U.S. PE Fund, the “Jefferies Private Equity Funds”), which intend to invest in private equity funds, secondaries or other similar “closed-end” investment funds, co-investments or similar direct investments and (ii) Jefferies Partners VC Fund 2023 LP, a Delaware limited partnership (the “U.S. VC Fund”), Jefferies Partners VC Fund 2023 (Cayman) LP, a Cayman Islands exempted limited partnership (the “Non-U.S. VC Fund”) and Jefferies Partners VC Fund 2023 (Dedicated) LP, a Delaware limited partnership (the “Dedicated VC Fund” and together with the U.S. VC Fund and the Non-U.S. VC Fund, the “Jefferies Venture Capital Funds” and, together with the Jefferies Private Equity Funds, each a “Fund” and together the “Funds”), which intend to invest in venture capital direct investments, co-investments and venture capital funds, or other similar early-stage “closed-end” investment funds. Only select current senior employees, board members and senior advisers of Jefferies, certain members of Jefferies’ senior management and subsidiaries of Jefferies may invest in the Funds.

Our affiliate, Jefferies Partners PE GP LLC (the “PE General Partner”), a Delaware limited liability company, serves as the general partner of the Jefferies Private Equity Funds. Our affiliate, Jefferies Partners VC GP LLC (the “VC General Partner”), a Delaware limited liability company, serves as the general partner of the Jefferies Venture Capital Funds. The PE General Partner and VC General Partner have the ultimate power and authority to manage the business and legal affairs of these Funds, subject to certain consent rights of the investment committees and conflicts advisory committees of these Funds. The PE General Partner and VC General Partner have each delegated all of their authorities to act on behalf of the Funds, including investment decision making and administration responsibilities, to JFO. References to “us” include the PE General Partner and the VC General Partner, as the context requires.

The JFO strategy seeks to generate attractive risk-adjusted returns primarily in both private equity investment and venture capital investments. As part of the JFO investment strategy, the Funds’ may use leverage when the Investment Manager deems it appropriate. The amount of leverage may be changed from time-to-time at the discretion of the Investment Manager.

As of September 30, 2023, JFO had Regulatory Assets Under Management totaling \$6,938,702 on a discretionary basis. JFO does not manage assets on a non-discretionary basis. The term “Regulatory Assets Under Management” is defined by the SEC in the instructions to Form ADV and is calculated in accordance with the requirements prescribed by the SEC.

Item 5. Fees and Compensation

The Investment Manager will not charge a management fee or any carried interest to the Funds. The Investment Manager's clients are private funds offered solely to current senior employees, board members and senior advisers, certain members of Jefferies' senior management and subsidiaries of Jefferies. Therefore, the Investment Manager will not be compensated for its services to the Funds.

Investors in the Funds will indirectly bear any management fees or performance compensation paid to managers of the Funds' investments. The expenses borne by each Fund are explained more fully in the offering memorandum for each Fund (the "Memorandum") and are set forth in each Fund's partnership agreement (together with any Memorandum, the "Governing Documents").

When we consider appropriate, we may invest a portion of a Fund's assets in cash equivalents and short-term investments including, without limitation, U.S. government and agency obligations, bank deposits and money market funds. When any such investments are made, the Fund will bear its proportionate share of any fees for such investments, including management fees charged by a manager of such money market funds.

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

Performance Based Fees

We do not receive any performance-based fees or other compensation from the Funds.

Side-By-Side Management

The Jefferies Private Equity Funds and the Jefferies Venture Capital Funds will each generally invest in parallel, on a side-by-side basis, with the other Jefferies Private Equity Fund or Jefferies Venture Capital Funds, respectively, to the extent reasonably practicable, taking into account tax, legal, regulatory, operational, structural and other considerations. Any investments made by a Jefferies Private Equity Fund or a Jefferies Venture Capital Fund will be acquired and disposed of substantially at the same time and on substantially the same terms as the investment acquired or disposed of by the other Jefferies Private Equity Fund or Jefferies Venture Capital Funds, as applicable, to the extent reasonably practicable, taking into account tax, legal, regulatory, operational, structural and other considerations or except as determined by the Investment Manager.

Although the Jefferies Private Equity Funds and Jefferies Venture Capital Funds, respectively, will be operated as parallel funds, the Funds are separate legal entities, and as a result, one entity may be subject to or affected by certain circumstances that do not affect another entity. While the Investment Manager intends that the Jefferies Private Equity Funds and Jefferies Venture Capital Funds, respectively, will generally invest in and dispose of investments in parallel, on a side-by-side basis to the extent reasonably practicable taking into account tax, legal, regulatory, operational, structural and other considerations, such considerations may prevent the Funds from investing and disposing of investments completely in parallel. The Investment Manager intends to allocate Portfolio Assets (as defined below) among the Jefferies Private Equity Funds and Jefferies Venture Capital Funds, respectively, such that the percentage of a Fund's capital commitments invested in a specific investment will be proportionate to the capital commitments made to such Fund. However, there can be no assurance that Investment Manager will be able to achieve such proportionate investment allocation.

The Jefferies Venture Capital Funds may already be invested, directly or indirectly, in a portfolio company the Jefferies Private Equity Funds are considering investing in through a later round of fundraising. In such a situation, the Jefferies Venture Capital Funds' investment may benefit from the Jefferies Private Equity Funds' later investment. The Jefferies Venture Capital Funds may hold the same investment on more advantageous terms or be permitted to exercise certain governance rights with respect to the underlying portfolio company, which may be exercised in the Jefferies Venture Capital Funds' interests (as opposed to the Jefferies Private Equity Funds' interests). Furthermore, the Jefferies Venture Capital Funds could invest directly or indirectly in earlier stage private companies that directly compete with portfolio companies into which the Jefferies Private Equity Funds are invested, which could benefit the Jefferies Venture Capital Funds and negatively impact the performance of the Jefferies Private Equity Funds.

The Jefferies Private Equity Funds may consider investing in later rounds of fundraising for a portfolio company owned directly or indirectly by the Jefferies Venture Capital Funds. Any such investment by the Jefferies Private Equity Funds or a Portfolio Fund owned by the Jefferies Private Equity Funds would directly dilute the Jefferies Venture Capital Funds' investors and potentially impact the Jefferies Venture Capital Funds' expected returns on such investment. Such investments may be disadvantageous to earlier investors, such as the Jefferies Venture Capital Funds or a venture fund in which the Jefferies Venture Capital Funds invests. In certain scenarios, the Jefferies Private Equity Funds or a Portfolio Fund in which the Jefferies Private Equity Funds invest may decline to make an investment in a portfolio company held directly or indirectly by the Jefferies Venture Capital Funds, which may result in such portfolio company not receiving financing it needs to continue to operate or expand its business. Furthermore, the Jefferies Private Equity Funds could invest directly or indirectly in later stage private companies that directly compete with portfolio companies into which the Jefferies Venture Capital Funds are invested, which could benefit the Jefferies Private Equity Funds and negatively impact the performance of the Jefferies Venture Capital Funds. Because the Funds will invest through Portfolio Funds and Venture Funds, the Jefferies Venture Capital Funds and the Jefferies Private Equity Funds could hold overlapping or adverse portfolio assets; and we would not necessarily be able to exercise any control in resolving or mitigating such a situation.

We may, subject to legal, tax, regulatory and other considerations, offer one or more investors or any third party, including a fund or account managed by LAM (including the Funds, each an “Account” and together, the “Accounts”), to participate, on a preferred basis, in investment opportunities (including syndication of Portfolio Fund, Venture Fund, co-investment and direct investment opportunities) in parallel to a Fund, provided that such offer is (i) consistent with the Investment Manager’s allocation policies and (ii) not inconsistent with the interests of such Fund and any other advisory clients of the Investment Manager and its affiliates. In this situation, opportunities for investments in parallel to a Fund will be allocated among the Fund and such investors by the Investment Manager in its sole discretion, taking into account such factors as the available capital, investment objectives, expected investment pipeline, and legal, tax and regulatory considerations. Accordingly, the allocation of an opportunity to invest in parallel to a Fund may vary between the identification of an investment opportunity and the consummation of such investment opportunity.

Item 7. Types of Clients

We provide advisory services to the Funds which are only offered to current senior employees, board members and senior advisers, certain members of Jefferies' senior management and subsidiaries of Jefferies.

Each private fund is excepted from the definition of an "investment company" pursuant to Section 3(c)(7) of the Company Act. The investors in these private funds are generally "accredited investors," as that term is defined in Regulation D promulgated under the Securities Act, and "qualified purchasers" as that term is defined in the Company Act and the rules promulgated thereunder. Each of the private funds sets minimum investment requirements for the investors in such vehicle. The minimum investments are typically \$250,000.00. Such minimum investment requirements may be waived at our discretion, except to the extent that such waiver is expressly prohibited by the constituent documents of the private fund or applicable law.

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

The following is a summary of the investment strategies and methods of analysis we generally employ on behalf of our clients. Specific descriptions of such strategies and methods are included in the relevant Governing Documents. All investments involve risk of loss that investors should be prepared to bear.

Investment Strategy and Methods of Analysis

The Funds implement strategies which seek to achieve an investment objective as set forth in the relevant Memorandum. Our strategies present risks to our investors and investors must fully understand and accept those risks before making any investment.

The Jefferies Private Equity Funds will invest in and make commitments to a portfolio of: (i) U.S. and international private equity funds, secondaries or other similar “closed-end” investment funds (including buyout, growth equity, special situations, secondary investments and/or other private assets) (“Portfolio Funds”), (ii) private vehicles that have each been formed to invest in identified buyout, growth equity, special situations, secondary investments and/or other private assets alongside closed-end funds and (iii) similar opportunities as set forth in (i) and (ii) through direct investments (collectively, “PE Strategies” and the targets of such investments, each a “PE Portfolio Asset”). Each Jefferies Private Equity Fund will generally not commit or invest more than 25% of its aggregate capital commitments to or in a single PE Portfolio Asset, but such limit may be exceeded from time to time.

The Jefferies Venture Capital Funds will invest in and make commitments to a portfolio of primarily North American: (i) direct investments in similar opportunities and portfolio companies as discussed in clauses (ii) and (iii) hereof, (ii) venture capital funds or other similar early-stage “closed-end” investment funds (“Venture Funds”) and (iii) private vehicles that have each been formed to invest in identified early-stage, seed, series A and series B companies, select later stage businesses and/or other private assets alongside closed-end funds (collectively, “VC Strategies” and the targets of such investments, each a “VC Portfolio Asset” and together with the PE Portfolio Assets, a “Portfolio Asset”). Each Jefferies Venture Capital Fund will generally not commit or invest more than 25% of its aggregate capital commitments to or in a single VC Portfolio Asset, but such limit may be exceeded from time to time.

Investors should note that the foregoing is not intended to be an exhaustive description of the strategies, PE Strategies and VC Strategies that may be employed by us on behalf of the Funds. At various times, we may employ on behalf of Jefferies Private Equity Funds or the Jefferies Venture Capital Funds any of the PE Strategies or VC Strategies, respectively, discussed herein in various proportions as well as others, some of which may involve higher levels of risk. There is risk associated with each PE Strategy and VC Strategy and there is no assurance that any of the PE Strategies or VC Strategies will be profitable or that we will be able to achieve its investment objectives or avoid losses. The PE Strategies and VC Strategies used present special and significant risks which investors should carefully consider in conjunction with their investment, legal and tax advisors. All PE Strategies and VC Strategies may be subject to risks and conflicts of interest, and also may be subject to additional risks and conflicts of interest that may be described in the applicable Governing Documents. A description of certain of those risks appears below.

Risks Relating to the Investment Strategies and Investments

PE Strategy Risks

Risks Associated with Investments in Private Equity Funds, Secondaries or Similar “Closed End” Investment Funds. The Jefferies Private Equity Funds anticipate making investments in private equity funds, secondaries or other similar “closed-end” investment funds (including buyout, growth equity, special situations, secondary investments and/or other private assets), private companies, and equity (including, but not limited to, common, preferred and convertible preferred equity), securities of operating companies that are not publicly traded on a stock exchange in order to provide working capital to nurture such company’s expansion, new product development or restructuring of the company’s operations, management or ownership. Identifying and participating in attractive investment opportunities in such investment funds is difficult. There is no assurance that any Jefferies Private

Equity Fund investment in such investment fund or private company will be profitable and there is a substantial risk that the Jefferies Private Equity Funds' losses and expenses will exceed its income and gains. It is anticipated that the Jefferies Private Equity Funds will be purely passive investors in any investment funds in which it invests, with little or no right to vote upon or otherwise control their activities. There generally will be little or no publicly available information regarding the status and prospects of any potential Portfolio Asset. Many investment decisions by the Investment Manager will be dependent upon its ability to obtain relevant information from non-public sources, and the Investment Manager may be required to make decisions without complete information or in reliance upon information provided by third parties, including the management of such Portfolio Asset, that is impossible or impracticable to verify. The marketability and value of each Portfolio Asset will depend upon many factors beyond the Investment Manager's control. Contractual limitations will typically restrict the Jefferies Private Equity Funds' abilities to transfer their interests in the Portfolio Assets without the consent of the relevant investment managers of a Portfolio Fund. Moreover, it is extremely unlikely there will be a public market for the securities of these Portfolio Assets. There will also be contractual and security law restrictions in respect of the transfer of securities issued by private companies in which the Jefferies Private Equity Funds may invest.

Risks Associated with Investments in Private Companies. The Jefferies Private Equity Funds anticipate investing in private portfolio companies directly through co-investments and on a selective basis by making direct investments, or indirectly through its investment in Portfolio Funds. Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprise is difficult. There is no assurance that any private company will be successful. It is possible there will be little or no publicly available information regarding the status and prospects of a private company. Each private company will be managed by its own officers. Private companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Private companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Jefferies Private Equity Funds' and the Portfolio Funds' limited amount of capital may not be adequate to protect them from dilution in multiple rounds of equity financings. The market for some of the private companies may be extremely volatile. Such volatility may adversely affect the development of private companies, the ability of the Jefferies Private Equity Funds or a Portfolio Fund to dispose of their investments in private companies, and the value of the Jefferies Private Equity Funds' or a Portfolio Fund's interest in private companies on the date of sale or distribution by these companies.

Investments in private companies generally are subject to restrictions on resale because they were acquired from the issuer in private placement transactions. Generally, these securities cannot be sold publicly unless and until the issuer is a public company and then only with the expense and time required to register the sale transaction under the Securities Act, or pursuant to rules under the Securities Act, which permit only limited sales under specified conditions. In addition, other legal, contractual or practical limitations may limit the ability to sell such investments. For example, the issuers may be privately held, the Jefferies Private Equity Funds may own a relatively large percentage of the issuer's outstanding securities or may have agreed to contractual restrictions on resale, or other investors, financial institutions or management may be relying on the Jefferies Private Equity Funds' continued investment. Sales also may be limited by financial market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular markets. These limitations on liquidity of private equity investments could prevent a successful sale or result in the delay of any sale or reduction in the amount of proceeds that might otherwise be realized.

In addition, in some cases, the Jefferies Private Equity Funds or a Portfolio Fund may be prohibited or limited by contract from selling certain Portfolio Assets for a period of time, and as a result, may not be permitted to sell a Portfolio Asset at a time it might otherwise desire to do so. The Jefferies Private Equity Funds or a Portfolio Fund may have access to non-public information regarding certain portfolio investments, the possession of which also could limit the Jefferies Private Equity Funds' or a Portfolio Fund's, as applicable, ability to sell such Portfolio Assets. Investment in the Jefferies Private Equity Funds requires the ability and the willingness to accept such lack of liquidity as well as a high degree of risk. The securities in which the Jefferies Private Equity Funds will invest may be among the most junior in a portfolio company's structure, and thus subject to the greatest risk of loss.

Private equity investments involve risks associated with investment in companies in an early stage of development or with little or no operating history, companies operating at a loss or with substantial variation in operating results from period to period, companies with the need for substantial additional capital to support expansion or to

maintain a competitive position, or companies with significant financial leverage. These companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and stronger management teams. There is no assurance that the companies in which the Jefferies Private Equity Funds invest will be able to successfully implement any growth plans or hire and retain successful management teams. Also, portfolio companies may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

There can be no guarantee that an investment in a private company by either the Jefferies Private Equity Funds or a Portfolio Fund will result in a liquidity event via public offering, merger, acquisition or otherwise. Generally, investments in private companies will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of an investment in a private company, such private company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. The risks associated with the Jefferies Private Equity Funds' investments in a private company also apply to the investment by such Portfolio Funds in a private company.

Buyouts. The Jefferies Private Equity Funds expect to invest in buyouts directly or indirectly through Portfolio Funds and co-investments. Leveraged buyouts are conducted when a financial sponsor contributes equity capital and debt capital (from loans and bonds) to acquire a company, typically a controlling interest, because it believes it can generate value by holding and managing such company for a period of time and exiting the company after value has been created. Successful buyout investments often depend of the financial sponsor improving the business by implementing operational enhancements and accelerating growth through business initiatives. Buyout stage companies are characterized by businesses generating solid cash flows, typically with steady and moderate to high growth.

Debt and equity investments in companies in connection with acquisitions, buyouts and recapitalizations pose risks associated with change in control transactions. Change in control transactions often present a number of uncertainties. Companies undergoing change in control transactions often face challenges retaining key employees and maintaining relationships with customers and suppliers. If the Portfolio Assets experience one or more of these problems, the Jefferies Private Equity Funds may not realize the value that they expect in connection with their investments in Portfolio Assets, which would likely harm the Jefferies Private Equity Funds and thus ultimately the Jefferies Private Equity Funds' operating results and financial condition.

Leveraged buyouts involve the acquisition of a company using a significant amount of financing and depend on the availability and terms of any borrowings that are required or desirable with respect to the investments. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the Jefferies Private Equity Funds' ability to consummate these transactions and would adversely affect the Jefferies Private Equity Funds' returns.

The ability to achieve attractive rates of return from a buy-out transaction depends in part on the ability to access sufficient sources of indebtedness at attractive rates. A decrease in the availability of financing or an increase in either interest rates or risk spreads demanded by leverage providers, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, could make it more expensive to finance Portfolio Assets on acquisition and throughout the term of the Portfolio Assets and could make it more difficult to compete for new Portfolio Assets with other potential buyers who have a lower cost of capital. Additionally, a decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the ability to consummate these transactions and would indirectly affect returns.

Growth Equity Investments. The Jefferies Private Equity Funds may make investments in growth equity companies that are not necessarily as developed as public companies. Growth equity investments are often

characterized by minority equity investments into business that are less mature than buyout stage businesses but more mature than venture capital stage businesses in terms of the stage of a company's life cycle. While growth-equity investments offer the opportunity for potentially significant capital gains, such investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets, management teams that may have limited experience working together and in some cases, negative cash flow, all of which enhance the difficulty of evaluating these investment opportunities and the ultimate success of such investments. The securities of these companies may experience outlier material price movements associated with the perceived prospects of success of their research and development programs. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Other substantial operational risks to which such companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried or untested business models, products and services, high levels of competition among similarly situated companies, new competing products and technology, lower barriers to entry and downward pricing pressure, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change. Growth equity companies also generally depend heavily on intellectual property rights, including patents, trademarks and proprietary products or processes. The ability to effectively enforce patent, trademark and other intellectual property laws in a cost effective manner could affect the value of many of these companies.

Special Situations Investments. The Jefferies Private Equity Funds, including through the Portfolio Funds, may have investments in issuers involved in (or the target of) acquisition attempts or tender offers or issuers involved in workouts, liquidations, spin offs, reorganizations, bankruptcies and similar transactions or issuers with weak financial conditions, poor operating results, substantial financial needs, negative net worth and/or special competitive or regulatory problems. These investments are typically opportunistic and arise due to disruption within the company or dislocation in the market, and as a result may offer a favorable risk-return profile for the investor. Specifically, these transactions may arise through buying from forced sellers, providing rescue capital, investing in distressed-for-control transactions, and/or restructurings and complex carve-outs. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Jefferies Private Equity Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Jefferies Private Equity Funds may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Jefferies Private Equity Funds may invest, there is a potential risk of loss by the Jefferies Private Equity Funds of their entire investments in such issuers.

In such situations, it may be difficult to obtain full information as to the exact financial and operating conditions of these companies. Additionally, the fair values of such investments are subject to abrupt and erratic market movements and significant price volatility if they are publicly traded securities, and are subject to significant uncertainty in general if they are not publicly traded securities. Investments in distressed securities have significant risk of loss, and the Jefferies Private Equity Funds' or the Portfolio Funds' efforts, as applicable, to protect their distressed investments may involve large costs and may not be successful. The Jefferies Private Equity Funds and the Portfolio Funds may also be subject to significant uncertainty as to when, in what manner and for what value the distressed securities in which the Jefferies Private Equity Funds and the Portfolio Funds invest will eventually be realized (e.g., through liquidation of the obligor's assets, an exchange offer or plan of reorganization involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or plan of reorganization is adopted with respect to distressed securities the Jefferies Private Equity Funds or the Portfolio Funds hold, there can be no assurance that the securities or other assets received by the Jefferies Private Equity Funds or the Portfolio Funds in connection with such exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made. Moreover, any securities received by the Jefferies Private Equity Funds or the Portfolio Funds upon completion of an exchange offer or plan of reorganization may be restricted as to resale. If the Jefferies Private Equity Funds or the Portfolio Funds participate in negotiations with respect to any exchange offer or plan of

reorganization with respect to an issuer of distressed securities, they may be restricted from disposing of such securities.

Secondary Investments. The Jefferies Private Equity Funds and Portfolio Funds may acquire secondary investments (i.e., interests in other funds) from existing investors in such funds, but also in certain cases from the issuers of such interests or other third parties. In many cases, the economic, financial and other information available to and utilized by the Investment Manager and managers of Portfolio Funds (“Portfolio Fund Managers”) in selecting and structuring secondary investments may be incomplete or unreliable. This type of transaction typically occurs when existing investors seek an early exit of what is intended to be a long-term investment, and take the form of a transfer of interest in a secondary market transaction. The Jefferies Private Equity Funds and Portfolio Funds may also not have the opportunity to negotiate the terms of the secondary investments including any special rights or privileges. Valuation of secondary investments may be difficult since there will generally be no established market for such interests. Moreover, the purchase price of secondary investments will be subject to negotiation with the sellers of such interests and may, in certain cases, include the Jefferies Private Equity Funds’ or a Portfolio Fund’s assumption of certain contingent liabilities. The overall performance of the Jefferies Private Equity Funds or the relevant Portfolio Fund may depend in part on the accuracy of the information available to the Investment Manager or the relevant Portfolio Fund Manager (as applicable), the acquisition price paid by the Jefferies Private Equity Funds or the relevant Portfolio Fund for the secondary investments and the structure of such acquisitions and the Jefferies Private Equity Funds’ or the relevant Portfolio Fund’s ultimate exposure to any assumed liabilities.

The Jefferies Private Equity Funds or a Portfolio Fund may have the opportunity to acquire a portfolio of secondary investments from a seller on an “all or nothing” basis. Certain of the secondary investments in the portfolio may be less attractive than others, and certain of the sponsors of such secondary investments may be more familiar to the Jefferies Private Equity Funds or a Portfolio Fund than others, or may be more experienced or highly regarded than others. In such cases, it may not be possible for the Jefferies Private Equity Funds or a Portfolio Fund to carve out from such purchases those investments which the Investment Manager or a Portfolio Fund Manager considers (for commercial, tax, legal or other reasons) less attractive.

Overlapping Investments With Other Jefferies Funds. Other entities currently managed or which may in the future be managed by Jefferies (as used in this paragraph, “Overlapping Funds”), including the Jefferies Venture Capital Funds, may already be invested, directly or indirectly, in a portfolio company the Jefferies Private Equity Funds are considering investing in through a later round of fundraising. In such a situation, the Overlapping Funds’ investment may benefit from the Jefferies Private Equity Funds’ later investment. The Overlapping Funds may hold the same investment on more advantageous terms or be permitted to exercise certain governance rights with respect to the underlying portfolio company, which may be exercised in the Overlapping Fund’s interests (as opposed to the Jefferies Private Equity Funds’ interests). Furthermore, the Overlapping Funds could invest directly or indirectly in earlier stage private companies that directly compete with portfolio companies into which the Jefferies Private Equity Funds are invested, which could benefit the Overlapping Funds and negatively impact the performance of the Jefferies Private Equity Funds. Because the Jefferies Private Equity Funds will invest through Portfolio Funds and the Overlapping Funds may invest through certain investment funds, the Overlapping Funds and the Jefferies Private Equity Funds could hold overlapping or adverse Portfolio Assets and the Investment Manager would not necessarily be able to exercise any control in respect of such a situation.

Continuation Vehicles. The Investment Manager may propose that one or more of the Portfolio Assets be held for longer than the then current term of the Jefferies Private Equity Funds either by the Jefferies Private Equity Funds or using one or more special purpose vehicles formed outside of the Jefferies Private Equity Funds. Certain risks that are generally associated with an investment in a private equity fund, secondary or other similar “closed-end” investment fund may be heightened and magnified. For instance, portfolio companies that are held for a longer period of time may be more likely to experience employee and/or management turnover during the holding period with respect thereto as compared to many other private equity funds, secondaries or other similar “closed-end” investment funds. The Investment Manager may be more incentivized to invest in Portfolio Assets with the view of holding such Portfolio Asset for a longer period of time and accordingly, may invest in Portfolio Assets that it believes may not meet the target returns of the Jefferies Private Equity Funds if it did not have the flexibility to hold such Portfolio Assets for a longer period of time. While investors may have the option to elect to have their interests in such investments disposed of by the Investment Manager, the value of such investments at the time of disposition

may be materially less than if the Investment Manager had not made and/or held such Portfolio Asset with the view of such Portfolio Asset having a longer holding period. Additionally, investors that elect to continue to hold a direct or indirect interest in such Portfolio Assets will have their interest attributable thereto adjusted as if distributed, thereby diluting their interests in such Portfolio Assets.

Leverage. Certain of the portfolio companies may have highly leveraged capital structures by borrowing in order to fund their investments. The highly leveraged capital structures of such companies will increase such companies' exposure to adverse economic factors such as rising or fluctuating interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the company or its industry. In the event a portfolio company cannot generate sufficient cash flow to meet its principal and interest payments on its debt obligations, the value of such portfolio company could be significantly reduced or even eliminated. Moreover, a Portfolio Fund may, by borrowing in order to fund its investments, itself, employ leverage and its inability to meet its principal and interest payments on indebtedness will similarly have a material adverse effect on such Portfolio Fund and, ultimately, the Jefferies Private Equity Funds.

Additionally, the Funds may borrow money or guarantee borrowings of other entities, pursuant to a subscription-line facility, asset-based financing or otherwise, for temporary purposes and in order to facilitate efficient capital flows. The greater the total borrowings of a Fund relative to its investments, the greater will be its risk of loss and possibility of gain due to market fluctuations. Inflation and rapid fluctuations in inflation rates have had in the past, are currently having and may in the future have negative effects on economies and financial markets.

VC Strategy Risks

Venture Capital Generally. Investments in companies in their early stage, their expansion stage, or late stage/pre-IPO private companies are often referred to as "venture capital investments." The Jefferies Venture Capital Funds anticipate making venture capital investments indirectly through investments in Venture Funds and co-investments and directly through direct investments in portfolio companies. Venture capital investments are subject to greater risk of loss than investments in companies with more stable operations or financial condition. Portfolio companies typically have short operating histories, a relatively short history of recurring revenues (if any), are not profitable and seek to expand their operations meaningfully. Although such investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risk that can result in substantial losses. There is also likely to be increasing competition among investors for investments in the venture capital sectors that the Jefferies Venture Capital Funds are targeting. Therefore, there can be no assurance that the Jefferies Venture Capital Funds will make a sufficient number of attractive investments in order to deploy the aggregate capital commitments completely or profitably.

All investments in Portfolio Assets involve substantial risks, including, without limitation: (i) adverse or ineffective, as well as inconsistent, alignment of interests among management (including as a result of personal/family rather than business issues); (ii) technological obsolescence; (iii) financial planning misjudgment; (iv) employee or management misconduct; (v) lack of reliable financial information; and (vi) any number of general economic conditions that are beyond the control of the managers of Venture Funds ("Venture Fund Managers"), the Investment Manager or Portfolio Assets, such as: changing market sentiment, changes in economic conditions, competition and technology, changes in interest rates, changing economic or political conditions or events and changes in tax laws and governmental regulation. The securities in which the Jefferies Venture Capital Funds will invest, directly or indirectly, may be among the most junior in a portfolio company's structure, and thus subject to the greatest risk of loss.

Portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Jefferies Venture Capital Funds' direct and indirect investments may be subject to dilution from multiple rounds of portfolio company financing.

These companies are typically dependent on the abilities of key individuals, including, but not limited to, founding entrepreneurs, owners or employees with critical technological skills, deep subject matter expertise, and/or

ownership of important patents or other intellectual property, and marketing and financial professionals, over which the Venture Fund Managers and the Investment Manager have little or no control. Venture stage companies are typically thinly staffed and may lack the internal resources or procedures and controls to detect and prevent accounting errors, or more serious losses caused by the misconduct or negligence of officers, employees or agents.

Almost all of the Jefferies Venture Capital Funds' investments will consist of securities that are subject to restrictions on resale because they were acquired from the issuer in private placement transactions. Generally, these securities cannot be sold publicly unless and until the issuer is a public company and then only with the expense and time required to register the sale transaction under the Securities Act, or pursuant to rules under the Securities Act, which permit only limited sales under specified conditions. In addition, other legal, contractual or practical limitations may limit the ability to sell private company investments. For example, underlying portfolio companies are likely to be privately held, a Venture Fund or the Jefferies Venture Capital Funds may own a relatively large percentage of the issuer's outstanding securities or may have agreed to contractual restrictions on resale, or other investors, financial institutions or management may be relying on a Venture Fund's or the Jefferies Venture Capital Funds' continued investment. Sales also may be limited by financial market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular markets. These limitations on liquidity of private company investments could prevent a successful sale or result in the delay of any sale or reduction in the amount of proceeds that might otherwise be realized. In addition, in some cases, a Venture Fund or the Jefferies Venture Capital Funds may be prohibited or limited by contract from selling certain portfolio investments for a period of time, and as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so. The very significant returns that have been earned in a small portion of venture capital investments have in large part resulted from the completion of highly successful IPOs or acquisitions that have permitted the venture investors to sell their equity interests at multiples of original cost. There can be no assurance that the public securities markets will support an IPO of a portfolio company, that there will be acquisition interest from other companies in the market or that the portfolio company's fundamentals will warrant an exit on terms that will be attractive for the Jefferies Venture Capital Funds.

Early-Stage Investments. The Jefferies Venture Capital Funds may invest, indirectly (through its investment in Venture Funds) or directly, in newly formed or pre-revenue portfolio companies. These "early-stage" or "seed" investments can create value inherent in particular companies or situations that can be realized only with substantial effort or expense. Many early-stage companies face significant competition from other firms, both established and start-up, with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities, and a larger number of qualified managerial and technical personnel. In all such cases, the Jefferies Venture Capital Funds will be subject to the risks associated with the underlying businesses engaged in by portfolio companies. Early-stage investments are typically made in companies that are seeking to develop and bring to market new, unproven ideas, business models, and/or technologies. The success of these companies is subject to a number of risks, including, but not limited to: failure to develop or implement the idea, business model or technology as planned; patent infringement and similar claims that prevent the idea, business model, or technology from being used or licensed; lack of market acceptance; and loss of key personnel.

High-Growth Company-Related Risks. The Jefferies Venture Capital Funds may invest, directly or indirectly, in high-growth portfolio companies, which may allocate, or may have allocated an unusually high percentage of their available capital to research and product development. The securities of these portfolio companies may reflect outlier material price movements associated with the perceived prospects of success of their research and development programs. In addition, portfolio companies in which the Jefferies Venture Capital Funds invest could be adversely affected by the lack of commercial acceptance of a new product or products or by technological change and obsolescence. Many of these portfolio companies may participate in undeveloped or limited markets, have limited products, rely on proprietary technology that may be difficult to protect from competitors, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or are in the (highly unpredictable) developmental stages of their businesses.

Investment Selection Risk. Identifying and participating in attractive investment opportunities and assisting in the building of successful young/emerging enterprises is difficult. There is no assurance that a Venture Fund's or the Jefferies Venture Capital Funds' investments will be profitable and there is a substantial risk that the Jefferies Venture Capital Funds' losses and expenses will exceed its income and gains. Any return on investment to the Jefferies Venture Capital Funds' investors will depend upon successful investments the Investment Manager makes

on behalf of the Jefferies Venture Capital Funds and be further reliant on successful investments that the Venture Fund Managers make on behalf of the Venture Funds that they manage (in which the Jefferies Venture Capital Funds will be investors). There often will be little or no publicly available information regarding the status and prospects of Portfolio Assets. Many investment decisions by the Venture Fund Managers or the Investment Manager will depend upon its ability to obtain relevant information from nonpublic sources, and it often will be required to make decisions without complete information or in reliance upon information third parties provide that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the Venture Fund Manager's or the Investment Manager's control.

Dependence on Patents, Trademarks and Other Intellectual Property. Certain portfolio companies may depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these portfolio companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties lead to the termination of the research and development of a portfolio company's particular product, which could materially and adversely affect such portfolio company.

Portfolio Company Reliance on Technology. The Jefferies Venture Capital Funds may invest directly and indirectly through Venture Funds in portfolio companies whose performance is highly correlated with their ability to successfully implement new technology and/or exploit existing technologies. Technology-reliant sectors can be challenged by various factors, including rapidly changing market conditions and participants, new competing products and services, and improvements in existing products and services. There is no assurance that products or services sold by portfolio companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. In the event that technology-reliant sectors decline or that portfolio companies are unable to utilize technology successfully and competitively, returns to Jefferies Venture Capital Funds' investors may decrease.

Difficulty of Sourcing Suitable Investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Jefferies Venture Capital Funds to invest all of its capital commitments directly or indirectly in opportunities that satisfy the Jefferies Venture Capital Funds' investment objectives, or that such investment opportunities will lead to completed investments by the Jefferies Venture Capital Funds. The success of the Jefferies Venture Capital Funds will depend on the ability of the Investment Manager, and in the context of Venture Funds, the Venture Fund Managers, to identify suitable investments, to negotiate and arrange or, otherwise benefit from, the closing of appropriate transactions and to arrange the timely disposition of such investments. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

Access to investment "deal flow" — being introduced to, and having a chance to invest in, select Portfolio Assets — is crucial to the success of any venture capital fund. In many cases, portfolio companies will not seek competitive bids for their securities or solicit more than a strictly limited number of investors to invest in such portfolio companies. Other venture capital fund and market participants may have access to more and better investment opportunities than the Venture Funds in which the Jefferies Venture Capital Funds invest or the Jefferies Venture Capital Funds. If the Venture Funds or the Jefferies Venture Capital Funds do not obtain sufficient deal flow of high-quality investment opportunities, the investment returns for the Jefferies Venture Capital Funds may be negatively impacted.

The Venture Funds and the Jefferies Venture Capital Funds will be competing for investments with other venture investors, angel investors, strategic investors, private equity funds, individuals, financial institutions and others. Further, over the past few years, a number of venture capital funds have been formed, and many such funds have idle capital ready to invest. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Venture Funds or the Jefferies Venture Capital Funds and adversely affecting the terms upon which investments can be made. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Venture Funds or the Jefferies Venture Capital Funds. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Venture Funds or the Jefferies Venture Capital Funds and adversely affecting the terms upon which investments can be made.

Overlapping Investments With Other Jefferies Funds. Other entities currently managed or which may in the future be managed by Jefferies (as used in this paragraph, “Overlapping Funds”), including the Jefferies Private Equity Funds, may consider investing in later rounds of fundraising for a portfolio company owned directly or indirectly by the Jefferies Venture Capital Funds. Any such investment by the Overlapping Funds or a Portfolio Fund owned by the Overlapping Funds would directly dilute the Jefferies Venture Capital Funds’ investors and potentially impact the Fund’s expected return on such investment as discussed in “Dilution” below. Such investments may be disadvantageous to earlier investors, such as the Jefferies Venture Capital Funds or a Venture Fund in which the Jefferies Venture Capital Funds invest. In certain scenarios, the Overlapping Funds or a Portfolio Fund in which the Overlapping Funds invest may decline to make an investment in a portfolio company held directly or indirectly by the Jefferies Venture Capital Funds, which may result in such portfolio company not receiving financing it needs to continue to operate or expand its business. Furthermore, the Overlapping Funds could invest directly or indirectly in later stage private companies that directly compete with portfolio companies into which the Fund is invested, which could benefit the Overlapping Funds and negatively impact the performance of the Jefferies Venture Capital Funds. Because the Jefferies Venture Capital Funds will invest through Venture Funds and the Overlapping Funds may invest through certain investment funds, the Overlapping Funds and the Jefferies Venture Capital Funds could hold overlapping or adverse Portfolio Assets and the Investment Manager would not necessarily be able to exercise any control in respect of such a situation.

Follow-On Financing. A Venture Fund or the Jefferies Venture Capital Funds may be called upon to provide follow-on financing for a portfolio company or have the opportunity to increase its investment in certain portfolio companies. There can be no assurance a Venture Fund or the Jefferies Venture Capital Funds will wish to participate in such follow-on financing or that a Venture Fund or the Jefferies Venture Capital Funds will have sufficient capital to do so. Any decision not to participate in follow on financing or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Jefferies Venture Capital Funds’ proportionate ownership in such portfolio company and thus its proceeds from the liquidation of the portfolio company and/or its ability to influence such portfolio company’s future management.

Down Round and “Cram Down” Financings. As a result of the Venture Funds and the Jefferies Venture Capital Funds investing in early rounds financing, a portfolio company in which a Venture Fund or the Jefferies Venture Capital Funds invests, directly or indirectly, may experience a down round financing, where the portfolio company raises capital that is based on the portfolio company’s valuation that is lower than the portfolio company’s valuation in its prior financing round in which the Venture Fund or the Jefferies Venture Capital Funds may have invested. As a result of the lower valuation, the equity outstanding immediately prior to the down round will suffer dilution and that dilution would be greater in a down round financing than it would be in an ordinary financing.

A portfolio company may also engage in a “cram down” financing. A cram down financing is a term that is often used to describe a down round financing in which existing investors lead a new financing that includes terms that may be severely dilutive to non-participating investors and that may include other features, such as forced conversions and “pay-to-play” mechanisms, that may have the perceived effect of punishing non-participating stockholders. In a severe cram down, existing stockholders who do not participate in the round may end up with little or no meaningful ownership stake in the portfolio company. In addition to further consolidating ownership of the portfolio company, investors willing to participate in a cram down may often also receive ancillary deal terms and preferred stock rights and preferences (such as super-priority liquidation preferences, “drag along” rights and special voting rights) that are superior to the investment terms of prior rounds. If a Venture Fund or the Jefferies Venture Capital Funds do not participate in a cram down financing, the Venture Fund’s or the Jefferies Venture Capital Funds’ equity ownership could be significantly reduced.

Leverage. Certain of the portfolio companies may employ leverage. In the event a portfolio company cannot generate sufficient cash flow to meet its principal and interest payments on its debt obligations, the value of such portfolio company could be significantly reduced or even eliminated. Moreover, a Venture Fund may, by borrowing in order to fund its investments, itself, employ leverage and its inability to meet its principal and interest payments on indebtedness will similarly have a material adverse effect on such Venture Fund and, ultimately, the Jefferies Venture Capital Funds.

Additionally, the Jefferies Venture Capital Funds may borrow money or guarantee borrowings of other entities, pursuant to asset-based financing or otherwise, for temporary purposes and in order to facilitate efficient capital

flows. The greater the total borrowings of a Jefferies Venture Capital Fund relative to its investments, the greater will be its risk of loss and possibility of gain due to market fluctuations.

Risks to All Funds

Direct Investments. The Investment Manager may cause the Jefferies Private Equity Funds to make direct investments on a selective basis and may also cause the Jefferies Venture Capital Funds to make direct investments. Direct investments in portfolio company private equity and debt require skills that are inherently different than managing a portfolio of funds focused on the same strategies. There can be no assurance as to what factors will be considered by the Investment Manager in selecting the direct investment opportunities for the Funds. Poor investment selections, as well as inadequate management of otherwise well-selected direct investment, could result in material losses for the Funds. In addition, the risks discussed herein, particularly in the section “Risks Associated with Investments in Private Companies”, “Venture Capital Generally” and “Due Diligence Risk”, are heightened in the context of direct investment in portfolio companies.

Co-Investments. The Funds may be afforded certain opportunities by Portfolio Fund Managers and Venture Fund Managers to make co-investments in portfolio companies. The Investment Manager may elect to have a Fund participate in such opportunities. However, such investments may involve a greater risk of loss to such Fund because of the concentration of a Fund’s assets in a single investment.

Minority Investments. The Funds expect that they will hold, directly and indirectly, minority investments. In these situations, there is the possibility that the company in which a Fund invests or other investors in such company may have economic or business interests or goals that are inconsistent with those of the Fund, and the Fund may have a limited ability to protect or influence the value of or exit the Fund’s investment in the entity. While the Portfolio Funds, Venture Funds and the Funds will seek to structure some of the investments so that they will obtain special rights and protective provisions and potentially a seat on the board of directors of the relevant portfolio company, there can be no assurance that, when it seeks to do so, a Portfolio Fund, Venture Fund or the Funds will be able to obtain such special rights, protective provisions or board seat, or that if such rights, provisions or board are obtained, that they will be effective. In addition, it is expected that the Portfolio Funds, Venture Funds or the Funds will not seek to obtain special rights in at least some of their investments.

Dilution. Investing in private companies is subject to the risk of material dilution. This dilution can result from the company’s unanticipated need of additional financing, foreclosure by creditors, adverse litigation outcomes draining the company’s resources and numerous other factors. Because private companies typically have limited financial resources, events which could be easily absorbed by larger capitalization public companies can force private companies to take steps which result in the positions of existing investors being severely comprised, and often without existing investors having the opportunity to maintain their investments by making an additional investment. The Investment Manager may correctly identify and successfully invest in a portfolio company with significant profit potential but then be “squeezed out” of its position by subsequent financing activity.

Illiquid Investments. The Funds intend to focus on investments for which no liquid market exists. Moreover, securities in which the Funds, the Portfolio Funds and the Venture Funds invest will generally include those that are not listed on a stock exchange or traded in an over-the-counter market. There may be substantial delays in attempting to sell non publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid. Further, companies whose securities are not registered or publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were registered or publicly traded. Portfolio Funds and Venture Funds generally will have restrictions in their governing documents that prohibit the Funds’ abilities to withdraw funds from such Portfolio Funds and Venture Funds.

Uncertain Exit Strategies. Due to the illiquid nature of the Portfolio Assets in which the Funds are expected to invest, the Investment Manager is unable to predict with confidence what, if any, exit strategy will ultimately be available for any given Portfolio Asset. Exit strategies, which appear to be viable when a Portfolio Asset is acquired, may be precluded by the time the Portfolio Asset is ready to be realized due to economic, legal, political or other factors.

The success of the Jefferies Venture Capital Funds direct or indirect investments in portfolio companies depends on the Venture Funds' and the Jefferies Venture Capital Funds' ability to liquidate such investments — often only through a merger, acquisition, or initial public offering ("IPO"), and the likelihood of such transactions occurring may be materially affected by prevailing market conditions. There can be no guarantee that any portfolio company investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that the portfolio companies will yield little or no return. Generally, portfolio companies initially will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of investment, a portfolio company may (and often will) lack one or more key attributes (e.g., proven technology, appropriate patent protection, marketable product, complete management team, regulatory approvals or strategic alliances) necessary for success. Recent start-up valuations have been high due to, among other things, excessive market demand, overly-optimistic valuations, and the supply of venture investment capital, including the availability of venture capital at the stage of investment which the Jefferies Venture Capital Funds seek to target, thereby increasing the difficulty of finding suitable Portfolio Assets and the risk of the loss of value over time should there be a market correction.

Even if an exit strategy — for example, an IPO — is able to be implemented with respect to the Venture Fund's or the Jefferies Venture Capital Funds' investments in a portfolio company, the Venture Fund or the Jefferies Venture Capital Funds — as early stage investors — may be subject to material "holdback" restrictions which limit the Venture Fund's or the Jefferies Venture Capital Funds' ability to sell such investment in the public markets and may result in a decrease in the price of the portfolio company's securities below the price at which the Venture Fund or the Jefferies Venture Capital Funds would initially have been able to sell if the Venture Fund or the Jefferies Venture Capital Funds had not been subject to such holdback.

Investments Longer than Term. A Fund may make investments which may not be disposed of in an advantageous manner prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. A Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the commencement of the winding up of the Fund. Upon the commencement of a winding up, a Fund will need to liquidate its assets by reducing such assets to cash and cash equivalents. In discharging the obligations that arise as a result of the commencement of the winding up, the Investment Manager or liquidator will be required to exercise its judgment to balance its obligation to ensure the expeditious winding up and liquidation of the Fund assets against the interest of the investors to obtain fair value for such assets taking into account any contractual, tax, market, legal or other considerations (including legal restrictions on the ability of an investor to hold any assets to be distributed in kind). Consequently, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

Long Term Funding Obligations. Most Portfolio Funds and Venture Funds are likely to require several years to invest the capital commitment made to them by the Funds. Many of the Portfolio Funds and Venture Funds are likely to take several additional years to mature to a point where they can be disposed of, and proceeds returned to investors. It is likely to take several years before all capital commitments to the Funds are drawn down, and it is possible that all such capital commitments may never be fully drawn down. Drawdowns may be made by Portfolio Funds and Venture Funds for a considerable period after the end of a Fund's investment period, which may require investors to make corresponding capital contributions.

Material Non-Public Information . By reason of its other activities, including advisory, trading, underwriting and other activities of Jefferies and affiliates, or in connection with investments in portfolio companies, the Investment Manager, its affiliates or Portfolio Fund Managers and Venture Fund Managers may acquire confidential or material non-public information or be restricted from initiating transactions in certain investments. Jefferies, the Investment Manager, its affiliates and Portfolio Fund Managers and Venture Fund Managers will not be permitted to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, may not be able to initiate a transaction for the Funds' account that it otherwise might have initiated. As a result, the Funds' position may be frozen in a Portfolio Asset that it might otherwise have liquidated or disposed of or may not be able to acquire a position that it might otherwise have acquired.

Foreign Investment Risks. Some of the Fund's Portfolio Assets are expected to be in non-U.S. markets, including some emerging markets. Investments in non-U.S. and emerging markets may be denominated in foreign currencies. The value of such investments may be affected by currency controls, the fluctuation of currency exchange rates and

costs in currency conversion. Returns from Portfolio Assets in non-U.S. and emerging markets may be highly volatile because of a lack of liquidity, varying inflation rates, government regulation, political developments and other factors that characterize such markets. These factors may cause volatility in individual markets, or collectively across regions or all such markets.

Bridge Financing. The Funds, the Portfolio Funds and the Venture Funds may provide or participate in bridge financings in connection with one or more of their Portfolio Assets. In such situations, the Funds, the Portfolio Funds and the Venture Funds will bear the risk of any changes in the capital markets, which may adversely affect the ability of a Portfolio Asset to refinance any bridge investments. If such Portfolio Asset were unable to complete a refinancing, the Funds, the Portfolio Funds and the Venture Funds could have a long-term investment in a junior security or that junior security might be converted to equity.

Subscription Line Facilities and Other Borrowings. The Funds may borrow money with recourse to the assets of such Fund, including without limitation: (a) to pay fund expenses; (b) to provide interim financing to consummate the purchase of a Portfolio Asset prior to the Funds' receipt of capital contributions from investors or receipt of expected proceeds from Portfolio Assets; and/or (c) to cover a shortfall of capital contributions that arises from the exclusion of or default by an investor. All or any of such indebtedness may be secured by assets of the Funds, including the unfunded commitments, the right to issue capital call notices and to receive capital contributions, and the right to enforce the payment thereof. Investors will be obligated to deliver to any lender any information so requested by such lender so long as such investor is obligated to provide such information to the Funds.

There is no assurance that the Funds will be able to obtain any financing. Further, there can be no assurance the Funds will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that may provide financing to the Funds can apply discretionary margin, haircut, financing, 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 governmental, regulatory or judicial action, may adversely affect the Funds. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time.

Any financing arrangements entered into by the Funds may contain a number of covenants that may restrict the ability of the Funds to incur additional indebtedness, make cash distributions or call capital from the investors. Principal and interest payments on any borrowings will be payable regardless of whether a Fund has sufficient cash available. The use of leverage by a Fund may substantially increase its risk of loss.

Valuation. The Funds' investments generally will have no, or a limited, liquid market, and the fair value of such investments may not be readily determinable. There is no assurance the value assigned to an investment at a certain time will accurately reflect the value that will be realized by the Funds upon the eventual disposition of the investment and the performance of the Funds could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment. As set forth in the Funds' Governing Documents and partnership agreements, the Investment Manager will determine the fair market value of each Fund, its investments and each partner's capital account balance in good faith.

As the Funds typically will target Portfolio Assets that are not readily marketable, investments generally will be carried at the values provided to the Investment Manager by such Portfolio Fund Managers, Venture Fund Managers or co-investment sponsors pursuant to valuation procedures set forth in the organizational documents of such Portfolio Assets. There is an additional level of risk as Portfolio Fund Managers and Venture Fund Managers must themselves rely on valuations provided by management of its underlying investments. These valuation procedures may be subjective in nature, may not conform to any particular industry standard (if any such industry standards exist) and may not reflect actual values at which investments are ultimately realized. Further, certain Portfolio Fund Managers, Venture Fund Managers or co-investment sponsors may not provide a Fund with a valuation of the investment or may not inform a Fund of its valuation procedures, and the Investment Manager and such Fund may have no ability to assess the accuracy of any such valuations. The Investment Manager expects to utilize the values assigned to the Portfolio Assets by their managers in calculating the net asset value of the Fund. While the Investment Manager will make reasonable efforts in good faith to evaluate the information it receives from the Portfolio Fund Managers, Venture Fund Managers and Co-Investment sponsors, there can be no assurance that the carrying value of an interest in a Portfolio Asset owned by a Fund will be realized upon its disposition.

Because there will generally be no established market for the Funds' co-investments or direct investments in portfolio companies and because portfolio companies utilize divergent reporting standards, such Portfolio Assets will be difficult to value and monitor. The Funds' co-investments or direct investments will also be difficult to value because it may be relatively difficult for the Funds to obtain reliable valuations of such Portfolio Assets. The Funds will need to rely on certain information provided by the Portfolio Assets in order to produce valuations of co-investments or direct investments in accordance with the Funds' valuation policy. Because early-stage portfolio companies are new and the associated products are often rather untested, projected results may not be obtained, and actual results may vary significantly from the projections. Prospective investors should be aware that situations involving uncertainties as to valuation of assets held by the Funds could have an adverse effect on the returns of the Funds. The risks discussed below in "– Limited Information Regarding Portfolio Fund Managers, Venture Fund Managers and Investments" and "– Portfolio Fund Manager, Venture Fund Manager or Portfolio Company Misconduct or Bad Judgment of Portfolio Fund Manager or Venture Fund Manager" are particularly relevant in the context of co-investment and direct investment valuations.

Multiple Layers of Fees and Expenses. Investment of the assets of a Fund with multiple Portfolio Fund Managers or Venture Fund Managers, as applicable, may significantly increase the fees and expenses payable by the Fund because each Portfolio Fund Manager and Venture Fund Manager charges its own fees and expenses. In addition, each Portfolio Fund Manager and Venture Fund Manager is usually compensated based solely on the performance of the assets it manages for a Fund. Therefore, one or more Portfolio Fund Managers or Venture Fund Managers may receive incentive compensation in respect of their Portfolio Fund or Venture Fund, as applicable, for a period even though the overall Fund portfolio depreciated during such period.

In addition, some Portfolio Fund Managers and Venture Fund Managers charge fees on the Fund's amount of capital committed to such Portfolio Fund or Venture Fund. In those circumstances, a Fund may be required to pay fees on amounts that are never invested in the applicable Portfolio Fund's or Venture Fund's investments. Portfolio Fund Managers and Venture Fund Managers generally receive compensation in part based on the performance of their investments. Such compensation arrangements may create an incentive for a Portfolio Fund Manager or a Venture Fund Manager to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect.

Due Diligence Risk. The Investment Manager seeks to conduct reasonable and appropriate analysis and due diligence in connection with investment opportunities. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment, the costs of which will be borne by the Funds. Such involvement of third-party advisors or consultants may present risks primarily relating to the Investment Manager's reduced control of the functions that are outsourced. In addition, if the Investment Manager is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected.

When conducting due diligence and making an assessment regarding an investment opportunity, the Investment Manager relies on available resources, including information provided by the Portfolio Fund Managers and Venture Fund Managers or portfolio company and, in some circumstances, third-party investigations. The Investment Manager's due diligence process may not reveal all facts that may be relevant in connection with an investment made by the Funds. In some cases, only limited information is available about a Portfolio Asset in which the Investment Manager is considering an investment. There can be no assurance that the due diligence investigations undertaken by the Investment Manager will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating a particular investment opportunity, or that the Investment Manager's due diligence will result in an investment being successful.

At times, the investment opportunities pursued by the Funds may require rapid execution, and investment analyses and due diligence, negotiations and decisions by Portfolio Fund Managers, Venture Fund Managers or the Investment Manager are undertaken on an expedited basis. In such cases, the information available at the time of an investment decision may be extremely limited, and Portfolio Fund Managers, Venture Fund Managers or the Investment Manager may not have access to detailed information regarding the investment opportunity or an opportunity to diligence and/or confirm information regarding the opportunity. Therefore, no assurance can be given that Portfolio Fund Managers, Venture Fund Managers or the Investment Manager will have knowledge of all,

or any, circumstances that may adversely affect an investment or be in a position to negotiate terms that appropriately address such risks. It frequently is difficult to obtain information as to the true condition of a portfolio company and the Portfolio Fund Managers, Venture Fund Managers and the Investment Manager may rely upon the accuracy and completeness of representations made by portfolio companies and/or their owners (which, in either case, even of themselves may be very limited in scope, if at all) in the due diligence process when it makes an investment. Moreover, often times attempts to obtain downside protection with respect to Portfolio Assets in which the Funds invest will not achieve their desired effect, and in certain cases, depending on the type of Portfolio Asset, an opportunity may only be available on the basis of limited warranties or covenants (e.g., "covenant lite" instruments). The lack of robust warranties or covenants is likely to increase the risk associated with the investment.

In the event of fraud by any Portfolio Fund, Venture Fund, co-investment or direct investment, a Fund may suffer a partial or total loss of capital invested in such Portfolio Asset. There can be no assurances that any such losses will be offset by gains (if any) realized on the Fund's other investments. An additional concern is the possibility of material misrepresentation or omission on the part of the Portfolio Fund, Venture Fund or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or instruments in such Portfolio Fund or Venture Fund. The Funds will rely upon the accuracy and completeness of representations made by Portfolio Funds, Venture Funds, co-investments or direct investments and/or their current or former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Limited Information Regarding Portfolio Fund Managers, Venture Fund Managers and Investments. The Investment Manager has no means of independently verifying much of the information supplied to it by Portfolio Fund Managers, Venture Fund Managers, co-investments or direct investments, including estimates of the value of a Fund's investments in the Portfolio Funds, Venture Funds or co-investments that are used to calculate the Fund's net asset value. Similarly, any investments held by Portfolio Funds, Venture Funds, co-investments or direct investment targets will likely be privately held companies which are not obligated to report the same amount of information as public companies. It will be very difficult or impossible for the Investment Manager to verify information provided by Portfolio Fund Managers, Venture Fund Managers or managers of co-investments and direct investments and the Funds will rely upon information provided by Portfolio Fund Managers, Venture Fund Managers or managers of co-investments and direct investments. Therefore, there may exist information about Portfolio Assets that the Investment Manager cannot obtain and which may have a significant adverse impact on the business of the Funds. Further, as the Funds will rely on reporting from Portfolio Assets, the Funds may encounter substantial delays in receiving up to date information. Any delays in the Funds receiving such information will delay the delivery of information to investors.

Dependence on the Investment Manager, the Portfolio Fund Managers and Venture Fund Managers; Non-Participation in Management. The Funds will be dependent upon the activities of the Investment Manager, the Portfolio Fund Managers and the Venture Fund Managers. The Investment Manager will make all major decisions with respect to the Funds, while the Portfolio Fund Manager of each Portfolio Fund and the Venture Fund Manager of each Venture Fund will make all major decisions with respect to each such fund, and none of the Funds or the investors will have a right to participate in the decisions of the Portfolio Fund Managers or Venture Fund Managers with respect to investments. The success of the Funds will depend on the ability of the personnel of the Investment Manager to identify suitable investments. Although the Investment Manager will be responsible for monitoring the performance of each Portfolio Fund Manager and Venture Fund Manager, there can be no assurance that a Portfolio Fund Manager or Venture Fund Manager will be successful. The success of the Funds will also depend on the ability of the Portfolio Fund Managers and Venture Fund Managers to negotiate and arrange the purchase of portfolio companies and to arrange the timely disposition of portfolio companies. Investors will have no right or power to take part in the management of the Funds, as all aspects of management of the Funds are entrusted to the Investment Manager.

Portfolio Fund Managers and Venture Fund Managers may be required to make representations and warranties about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. Private equity funds, secondaries or other similar "closed-end" investment funds or venture capital funds may also be required to indemnify the purchasers of such investments to the extent that any such

representations and warranties turn out to be inaccurate or misleading. These arrangements may result in liabilities for the Portfolio Fund Managers or Venture Fund Managers and, in turn, losses for the Funds.

There can be no assurance that a Portfolio Fund Manager, Venture Fund Manager or its respective principals will continue to be affiliated with a Portfolio Asset throughout its anticipated term. The loss of a Portfolio Fund Manager, Venture Fund Manager or a principal thereof could have a significant adverse impact on the business of the Funds.

Portfolio Fund Manager, Venture Fund Manager or Portfolio Company Misconduct or Bad Judgment of Portfolio Fund Manager or Venture Fund Manager. The Investment Manager has only limited access to information regarding the activities of the Portfolio Fund Managers, Venture Fund Managers and the managers of a portfolio company, the investments of each Portfolio Fund and Venture Fund, and the business of each Portfolio Asset or portfolio company. As a consequence, it will be difficult, if not impossible, for the Investment Manager to protect the Funds from the risk of Portfolio Fund Manager, Venture Fund Manager or portfolio company fraud, misrepresentation, material strategy alteration or poor judgment. Although Portfolio Fund Managers and Venture Fund Managers are required to adhere to the offering documents of the Portfolio Funds and Venture Funds, the Investment Manager cannot control the investments made by a Portfolio Fund Manager or Venture Fund Manager. Investors themselves have no direct dealings or contractual relationships with the Portfolio Fund Managers or Venture Fund Managers.

Proprietary Investment Strategies. The Portfolio Fund Managers and Venture Fund Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to the Investment Manager or the Funds. These strategies may involve risks under some market conditions that are not anticipated by the Portfolio Fund Manager, Venture Fund Manager, the Investment Manager or the Funds. The Portfolio Fund Managers and Venture Fund Managers generally use investment strategies that differ from those typically employed by traditional managers of portfolios of stocks and bonds. The strategies employed by the Portfolio Fund Managers and Venture Fund Managers may involve significantly more risk and higher transaction costs than more traditional investment methods. In addition, it is possible the performance of the Portfolio Fund Managers and Venture Fund Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to the Funds and the investors.

Difficulty Identifying Investments and Competition for Investments. The availability of investment opportunities generally will be subject to market conditions as well as to the prevailing regulatory and political climate. There can be no assurance that the Funds will be presented with, or have the opportunity to participate in, a sufficient number of suitable investments to fully deploy its aggregate capital commitments. Furthermore, there can be no assurance that a Fund will in fact make an investment in any opportunity that the Investment Manager may review.

There is also likely to be increasing competition among investors for Portfolio Assets in the private equity and other investment sectors that the Jefferies Private Equity Funds are targeting. Therefore, there can be no assurance that the Jefferies Private Equity Funds will make a sufficient number of attractive investments in order to deploy the aggregate capital commitments completely or profitably.

Market Risks in General. The Funds' investment strategies are subject to some dimension of market risk, including, but not limited to, directional price movements, deviations from historical supply and demand relationships, changes in the regulatory environment, geopolitical events and changes in economic sentiment. The particular or general types of market conditions in which the Funds may incur losses or experience unexpected performance volatility cannot be predicted, and the Funds may materially underperform other investment funds with substantially similar investment objectives and approaches.

Market Disruptions; Governmental Intervention. The global financial markets have in the past decade undergone pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been

materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Funds may incur major losses in the event of disrupted markets and other extraordinary events. The financing available to the Funds from their banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may affect the Funds in a materially adverse manner. Market disruptions may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Risk of Natural Disasters, Epidemics, Pandemics, Terrorist Attacks and War. Countries and regions in which the Funds, Portfolio Funds or Venture Funds invest, where the Investment Manager, Portfolio Fund Managers or Venture Fund Managers have offices or where the Funds, Portfolio Funds, Venture Funds, the Investment Manager, Portfolio Fund Managers or Venture Fund Managers otherwise do business are susceptible to natural disasters (*e.g.*, fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious infectious diseases. The occurrence of a natural disaster or outbreaks of infectious diseases could, directly or indirectly, adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or the outbreak) and could adversely affect the Funds' investment programs or the Investment Manager's, a Portfolio Fund Manager's or a Venture Fund Manager's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the Funds invest or could affect the countries and regions in which the Funds invest, where the Investment Manager, Portfolio Fund Managers or Venture Fund Managers have offices or where the Funds, the Investment Manager, Portfolio Fund Managers or Venture Fund Managers otherwise do business. Other acts of war (*e.g.*, war, invasion, acts of foreign enemies, hostilities, insurrection and related geopolitical events, including global sanctions regimes, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the Funds invest.

Political Risk. The Funds may invest in Portfolio Assets in a number of different countries, some of which may be politically unstable. With any Portfolio Asset, there exists the risk of adverse political, legal and tax developments, including termination or non-payment of concessions, confiscation without fair compensation, windfall profit tax, or war. Furthermore, any restriction imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate currency. Although the Funds will have political risks in the applicable countries analyzed before making such investments, no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect a Portfolio Asset at the time of its acquisition or thereafter.

Financial Institution Risk. Events involving reduced or limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians of an investor's funds and securities, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds occurring, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, the borrowers of these institutions and other companies in the financial services industry. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for the Funds or portfolio companies to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the ability of portfolio companies to meet operating expenses, satisfy financial obligations, liquidate portfolio holdings or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on the Portfolio Assets or the Funds' performance.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to an investor or a prospective investor evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

Material Financial Industry Affiliations of the Firm

In addition to our being a registered investment adviser, certain of our employees are registered representatives of our affiliate Jefferies LLC, a registered broker dealer.

Jefferies LLC is the principal subsidiary of Jefferies. Jefferies is a global investment banking firm that provides clients with capital markets and financial advisory services, institutional brokerage and securities research, as well as wealth and asset management. Jefferies provides research and execution services in equity, fixed income, derivatives and foreign exchange markets, and a full range of investment banking services including underwriting, merger and acquisition, restructuring and recapitalization and other advisory services.

Our affiliates, including members of the Funds' investment committees, may be advising or may in the future play an advisory role or perform other services for our advisory clients and/or for one or more of a Fund's Portfolio Assets. We attempt to limit the extent to which JFO has access to information about such matters through its policies and procedures ("Information Walls"). However, if one of our affiliates, including members of a Fund's investment committee, decides to serve in such a role, *e.g.*, act as adviser to an issuer of a Portfolio Asset, and to the extent that Information Walls do not successfully prevent us from acquiring, or being deemed to have acquired, information about such issuer, a Fund may be required or expected to liquidate its position or not invest in such issuer. Such a transaction may cause a Fund to realize reduced profits or losses. Investors should note that certain members of the Funds' investment committees are situated above information walls, and there can be no assurance that the Investment Manager will avoid receipt of material non-public information and therefore the occurrence of such restrictions.

By reason of the advisory, investment banking, and/or other activities of our affiliates, we and our affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. We will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, we may not be able to initiate a transaction for a Fund that we otherwise might have initiated. A Fund may be required to hold an investment position that it otherwise might have disposed of.

Certain of our affiliates are investment advisers and other financial institutions whose businesses have no material relationship to our business. Certain of our officers and directors also serve as officers and directors of other Jefferies' companies

The PE General Partner and VC General Partner are affiliates and related persons of us. Any person acting on behalf of the PE General Partner or the VC General Partner is subject to our supervision and control in connection with any investment advisory activities.

Potential Conflicts of Interest

Allocation of Time. The Investment Manager and its key personnel will devote as much of their time to the business of the Funds as in their judgment is reasonably required. However, the Investment Manager also expects to provide investment advisory services for other investors and Accounts (including other investment funds) and engage in other business ventures in which the Funds and the investors have no interest. As a result of these separate business activities, the Investment Manager and its key personnel may have conflicts of interest in allocating management time, services and functions among the Funds and other business ventures or clients. The Governing Documents do not require the Investment Manager to devote any particular amount of time to the Funds.

Investments in Parallel to a Fund. The Investment Manager may, subject to legal, tax, regulatory and other considerations, offer one or more investors or any third party, such as another Account, to participate, on a preferred basis, in investment opportunities (including syndication of Portfolio Fund, Venture Fund, co-investment and direct investment opportunities) in parallel to a Fund *provided* that such offer is (i) consistent with the Investment Manager's allocation policies and (ii) not inconsistent with the interests of such Fund and any other advisory clients of the Investment Manager and its affiliates. In this situation, opportunities for investments in parallel to a Fund will

be allocated among the Fund and such investors by the Investment Manager in its sole discretion, taking into account such factors as the available capital, investment objectives, expected investment pipeline, and legal, tax and regulatory considerations. Accordingly, the allocation of an opportunity to invest in parallel to a Fund may vary between the identification of an investment opportunity and the consummation of such investment opportunity.

Other Accounts; Allocation of Investment Opportunities; Portfolio Asset Involvement. JFO is responsible for the investment decisions made on behalf of the Funds. There are no restrictions on the ability of the Investment Manager and its affiliates to manage accounts of other clients following the same or a different investment objective, philosophy and strategy as those used for the Funds. In fact, the Investment Manager may manage other Accounts or portfolios that may invest pursuant to the same or different strategies as those employed by the Funds. One such other Account or fund may participate in an investment at a different time and at more favorable terms than another fund or Account, including the Fund, participating in the same investment.

These situations may involve conflicts between the interests of the Investment Manager or its respective related persons, on the one hand, and the interests of the Investment Manager's clients, on the other. However, the Investment Manager has a fiduciary duty to its clients to exercise good faith and fairness in all dealings affecting the Funds.

The Investment Manager or its affiliates, including members of the Funds' investment committees, may serve in an advisory role to a Portfolio Asset, such as serving as a financial advisor to a Portfolio Asset or a member of a direct investment's board of directors. In such a role, the Investment Manager or its affiliate may need to make decisions in the best interests of such Portfolio Asset or its investors, which may differ from the best interests of the Funds or certain investors, including relating to the tax interests of certain investors.

Personal Account Policy. The Investment Manager's personnel are required to conduct their personal investing activities in a manner to avoid actual or potential conflicts of interest with their clients, including the Funds. Each employee of the Investment Manager is prohibited from using his or her position with the Investment Manager or any investment opportunities learned because of his or her position to the detriment of the Investment Manager's clients such as the Funds. All accounts of the Investment Manager's employees and certain other employee-related accounts must be disclosed to the Investment Manager's compliance personnel, and trades in or investments through those accounts (except for limited exceptions for certain types of instruments) must be pre-approved by the Investment Manager's Chief Compliance Officer or his or her designee. The Investment Manager's Chief Compliance Officer or his or her designee performs reviews of the personal investing activities of the Investment Manager's investment personnel, including post-trade reviews and reviews of account activity. These reviews are designed to (i) ensure the propriety of the employee's trading activity; (ii) avoid possible conflict situations; and (iii) identify transactions that may violate prohibitions regarding insider trading and manipulative and deceptive devices contained in the federal and state securities laws and SEC rules.

Proprietary Investing. The Investment Manager, its principals, employees and affiliates, including Jefferies, and their respective employees may trade or invest in the securities, commodities, foreign exchange and derivatives markets for their own accounts and/or the accounts of their clients and, in doing so, may take positions opposite to those held by the Funds or may be competing with the Funds for positions in the marketplace. Such trading or investment may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to the Funds. Records of this trading and investment will not be available for inspection by investors.

Because the Investment Manager, its investment professionals and affiliates may trade and invest for their own accounts or other Accounts at the same time that they are managing the Funds, prospective investors should be aware that, as a result of, among other things, activities not constituting a breach of fiduciary duty, such persons may, from time-to-time, take positions in proprietary accounts or other client accounts which are in competition with, opposite or ahead of, the investments made for the Funds.

The proprietary activities or portfolio strategies of the Investment Manager, its investment professionals and employees and its affiliates and their respective employees, or the activities or strategies used for accounts managed by the Investment Manager for other customer accounts could conflict with the transactions and strategies employed by the Funds, Portfolio Funds or Venture Funds and affect the prices and availability of the instruments in which the Funds, Portfolio Funds or Venture Funds invest. The trading and investment activities of the Investment

Manager and its affiliates generally will be carried out without reference to investments made by the Funds and may have an effect on the value of the Portfolio Assets or may result in the Investment Manager and its affiliates having an interest in the issuer adverse to that of the Funds.

Notwithstanding the foregoing, the Investment Manager maintains policies and procedures designed to ensure that the Investment Manager meets its fiduciary duties, to minimize and prevent conflicts of interest, and to prevent insider trading and manipulative and deceptive devices.

Principal Trades; Cross Transactions. To the extent permitted by applicable law and approved by a Fund's conflicts advisory committee, the Investment Manager, on behalf of the Fund, may cause the Fund to enter into transactions (including repurchase agreements and other forms of financing) and invest in Portfolio Assets that (i) Jefferies, acting as principal or as agent for its customers, originated, structured, loaned, arranged or placed from which Jefferies received profits, commissions, fees and other compensation for its services or (ii) otherwise involving the participation of Jefferies. Such transactions may be considered a principal trade under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and, therefore, may be subject to the disclosure and consent requirements of the Advisers Act. Jefferies and its personnel may obtain and keep any profits, commissions, fees and other compensation accruing to them in connection with their activities as agent or principal in transactions for the Fund and other activities for themselves and others.

The Investment Manager may also enter into agency cross transactions where an affiliate acts as agent on behalf of a Fund and the other party to the transaction. Such transactions may enable the Investment Manager to purchase or sell Portfolio Assets for a Fund at a set price and possibly avoid the illiquidity constraints of the Fund's Portfolio Assets. The relevant affiliate may have a potentially conflicting division of responsibilities to both parties to such transaction. A Fund will only consider engaging in a cross transaction with an affiliate of the Investment Manager to the extent permitted by applicable law and with the consent of the conflicts advisory committee.

The Conflicts Advisory Committee. The Jefferies Private Equity Funds' investors consent to representation by a conflicts advisory committee for the Jefferies Private Equity Funds in their subscription agreements and the Jefferies Venture Capital Funds' investors consent to representation by a conflicts advisory committee for the Jefferies Venture Capital Funds in their subscription agreements. Both conflicts advisory committees provide a mechanism for obtaining, in appropriate cases, the informed consent of the combined investors (with the conflicts advisory committee serving as both the representative and agent of the combined investors) which the Investment Manager believes necessary or advisable in the context of a specific transaction, including any principal transactions between the Jefferies Private Equity Funds or the Jefferies Venture Capital Funds, as applicable on one hand, and the Investment Manager or its affiliates on the other hand. The role of each conflicts advisory committee is not to make investment recommendations or determine pricing, nor to review the merits of any transaction presented to it, but only to confirm that the Jefferies Private Equity Funds or the Jefferies Venture Capital Funds, as applicable, enter into such transactions on an objective basis. The members of the conflicts advisory committee serve in a similar role for other Jefferies entities and are entitled to compensation in such capacity.

Investment Committee. Certain members of Jefferies Private Equity Funds' investment committee and the Jefferies Venture Capital Funds' investment committee are expected to be senior officers of Jefferies. Such persons, due to their oversight and responsibilities of various business lines at Jefferies or due to their other business, investment and other interests and activities, may have financial incentives relating to the services provided to or transactions involving potential or actual Portfolio Assets. Such financial interests will or may pose a conflict of interest for such investment committee member in evaluating potential Portfolio Assets. Further, because of such senior officers' oversight or supervision of a Jefferies business line, such person may come into contact with confidential information which may prevent the Fund from making or disposing of certain investments.

Material Non-Public Information; Other Jefferies Affiliates and Advisory Roles. Affiliates of the Investment Manager, including members of the investment committee, may be advising or may in the future play an advisory role or perform other services for one or more of the issuers that a Fund has invested in. The Investment Manager attempts to limit the extent to which the Investment Manager has access to information about such matters through its Information Walls. However, if one of the Investment Manager's affiliates, including members of the investment committee, decides to serve in such a role, *e.g.*, act as adviser to an issuer of a Portfolio Asset, and to the extent that Information Walls do not successfully prevent the Investment Manager from acquiring, or being deemed to have

acquired, information about such issuer, a Fund may be required or expected to liquidate its position or not invest in such issuer. Such a transaction may cause a Fund to realize reduced profits or losses. If a Fund is permitted to maintain its position in such instance, the Investment Manager's affiliate, including members of the investment committee, may take actions or provide advice with respect to the issuer that could result in adverse consequences to the Fund and restrict its ability to dispose of such position. Accordingly, there may be certain cases in which the Investment Manager may be restricted from investing in certain Portfolio Assets, or entering into certain transactions or exercising certain rights on behalf of the Funds. Such restrictions may reduce returns or result in losses for the Funds. Investors should note that certain members of the investment committees for the Funds are situated above information walls, and there can be no assurance that the Investment Manager will avoid receipt of material non-public information and therefore the occurrence of such restrictions.

Jefferies May Publish Research and Market Commentary That Conflicts with Each Other and Which May Negatively Impact the Values of the Funds and their Interests. Jefferies may publish research and market commentary from time-to-time on financial markets and other matters that may influence the value of the Funds' interests, or express opinions or provide recommendations that are inconsistent with purchasing or holding the Interests. Jefferies may have published, or may publish in the future, research, market commentary or other opinions that call into question the investment view implicit in an investment in the Funds' interests, Portfolio Funds, Venture Funds, co-investments, direct investments or underlying portfolio companies. Any research, market commentary, opinions or recommendations expressed by these entities may not be consistent with each other and may be modified from time-to-time without notice. Investors should make their own independent investigation of the merits of investing in Interests.

Jefferies Provides a Broad Array of Financial Services and Has Various Investment Banking, Advisory and Other Relationships. The Investment Manager's parent company, Jefferies, is a full service financial institution engaged through its subsidiaries in a wide range of investment banking and other capital markets and other activities, including, but not limited to, investment management, corporate finance, securities underwriting, placement, trading, research, brokerage activities, buying and selling companies and business lines and making strategic investments in other companies and businesses ("Other Business Activities"). It is therefore possible that these Other Business Activities could create actual and potential conflicts of interest for the Investment Manager. In addition, portfolio companies into which the Funds invest, may engage in Other Business Activities with Jefferies. It is anticipated that, if such conflicts were to arise, the interests of Jefferies or its clients would prevail over the interests of the investors.

Jefferies may act as an adviser or provide other services to issuers in investment banking, loan arranging and structuring, underwriting services, financial advisory and other capacities related to the Portfolio Funds, Venture Funds, co-investments, underlying portfolio companies or Portfolio Assets that the Funds may invest in, on a direct or indirect basis, and Jefferies may be engaged as underwriter for the issuer of Portfolio Assets that the Funds may purchase, sell or hold where Jefferies, acting in these various capacities, will receive profits, commissions, fees and other compensation. Similarly, Jefferies and its personnel may earn compensation by serving as a placement agent for various Portfolio Assets or receive fees for facilitating investments into certain portfolio companies or other transaction fees from portfolio companies. Jefferies and its personnel, including certain anticipated members of the Funds' investment committees, may obtain and keep any profits, commissions, fees and other compensation accruing to them in connection with the foregoing activities or with their activities as agent or principal in transactions for the Funds and other activities for themselves and others, and the Funds will not participate in such amounts received. This conflict is particularly likely to occur when a Fund is making co-investments or direct investments in portfolio companies.

It is possible that the Funds will invest in or engage in transactions with Portfolio Funds, Venture Funds or portfolio companies for which Jefferies performs or seeks to perform certain financial services. Certain Portfolio Assets, including co-investments and direct investments, may come to the attention of the Investment Manager because Jefferies performs or seeks to perform certain Other Business Activities with and for parties affiliated with such an opportunity. In such a scenario, a conflict of interest may exist where Jefferies has an incentive to provide financing services, capital or other services to such a Portfolio Asset or its related party and has a greater financial interest in providing these types of services than in the performance of the Funds. In these circumstances, the Investment Manager will act in accordance with its fiduciary duties to the Funds in evaluating the appropriateness of such Portfolio Asset. Investors will rely on the Investment Manager to effectively manage these potential conflicts of

interest in the Investment Manager's sole discretion. Examples of conflicting incentives Jefferies may encounter include, but are not limited to, consideration of advisory, financing or transaction fees Jefferies may earn from such a Portfolio Asset and enhancements to Jefferies' relationship with a Portfolio Asset or its affiliated entities (including Portfolio Funds, Venture Funds, co-investments or direct investment targets). Jefferies' desire to strengthen such relationships with respect of its clients may create incentives for Jefferies to cause the Funds to make certain investments in Portfolio Funds, Venture Funds, co-investments or direct investment targets.

Neither Jefferies nor any other part thereof has or will have any duty to disclose to the Investment Manager or use for the Funds' benefit any non-public information acquired in the course of providing services to any other party, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business.

Jefferies has affiliated broker-dealers. Such broker-dealers may participate in or run underwriting syndicates with respect to or may also otherwise be involved in the private placement of secondary investments or debt or equity securities issued by a portfolio company in which the Funds invest. The affiliated broker-dealers may also otherwise arrange financing for a portfolio company in which a Fund invests. Subject to applicable law, such broker-dealer may receive underwriting fees, placement commissions or other compensation with respect to such activities, which are not required to be shared with the Funds or other clients of Jefferies and its affiliates. Where a Jefferies broker-dealer serves as underwriter with respect to an underlying portfolio company's securities, in such capacity, it may require certain equity holders, which may include Portfolio Funds, Venture Funds and co-investment vehicles, to be subject to a lock-up period following the offering under applicable regulations, during which time such equity holders' ability to sell any securities that they continue to hold is restricted. This may prejudice such Portfolio Funds', Venture Funds' or co-investment vehicles' ability to dispose of such securities at an opportune time and thereby adversely affect the Funds' investments.

The Investment Manager's decision whether to make an investment in Portfolio Assets for the Funds will ultimately be subject to the conflicts of interest discussed herein, including Jefferies' desire to maximize returns, generate compensation, and improve client relationships.

Neither Jefferies nor its affiliates have any obligation to refer potential investments, including those discovered through Other Business Activities, to the Funds. Jefferies may allocate such opportunities in its discretion. Jefferies may present such opportunities to the Investment Manager, may present opportunities to other investing entities managed by Jefferies, or may determine not to present the investment opportunity to any affiliated entities. Jefferies, in its sole discretion, may determine whether to present potential investment opportunities which Jefferies discovers through its Other Business Activities to the Funds. The Investment Manager may not rely on Jefferies presenting such opportunities for all of its Portfolio Assets.

As a result of Jefferies' broader business, including its investment banking business, if activities of a Fund could potentially conflict with certain opportunities for Jefferies, Jefferies clients or certain counterparties, or otherwise create regulatory or compliance concerns for Jefferies, Jefferies may elect to forego investing in a Portfolio Asset. Additionally, reputational considerations with respect to the Jefferies business as a whole may conflict with the interests of the Funds, and Jefferies may make decisions with respect to its Other Business Activities that it would not otherwise make absent such considerations.

Financing Arrangements. Jefferies or its affiliates may lend to the Funds or serve as guarantor for leverage employed by the Funds. Certain conflicts of interest may arise should the Funds enter into financing arrangements, including subscription line facilities and/or conventional debt facilities, with any affiliates of the Investment Manager. In such situations, the Investment Manager will have a conflict between its obligation to act in the best interests of the investors and any interest it may have in generating fees and other revenues for itself or its affiliates. If the Investment Manager engages in repurchase agreements with an affiliate, the terms of any particular transaction, including any pricing rate, repurchase price or margin percentages negotiated with the relevant affiliate may not individually or in the aggregate be the most favorable available.

Jefferies may provide financing to certain portfolio companies, which may create an incentive for Jefferies to generate and/or secure additional capital for such portfolio company. As a result of such incentive, Jefferies may

present such portfolio company to the Funds as a potential Portfolio Asset. Any such transaction would be subject to the conflicts discussed herein, particularly relating to Jefferies' incentives for compensation.

Subsequent Funds. The existence of subsequent funds sponsored by the Investment Manager following the completion of the Funds' investment periods may create certain conflicts of interest. While investment opportunities will generally be allocated only to the Funds during their investment periods, there may be other instances where the interests of subsequent funds may conflict. For example, subsequent funds may have the opportunity to invest in or decline to invest in follow-on investments, platforms or funds that would support, enhance or protect investments made by the Funds or invest in opportunities that are competitive with Portfolio Assets invested in by the Funds. The Investment Manager may decline to cause a subsequent fund to make any investment despite the fact that declining to make such investments may adversely affect investors in the Funds. Similarly, the Investment Manager may cause a subsequent fund to make an investment, potentially benefitting the Funds. Portfolio Assets held by multiple funds, such as investments in different parts of the same issuer's capital structure, may conflict with each other and the actions of a subsequent fund may negatively impact the Funds. The Investment Manager may cause different funds to take different courses of action in terms of investment concentration, the timing of dispositions or other matters, and investors should expect that the performance of different funds will differ.

Service Providers. The members of the conflicts advisory committees, the administrator, the custodian and the auditors may from time to time act in a similar capacity to, or otherwise be involved in, other funds or investment schemes, some of which may have similar investment objectives to those of the Funds. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Funds and the activities each has undertaken or will undertake with respect to other investors or other Accounts. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Funds or investors.

Referral Fees. A Fund may pay certain affiliates of the Investment Manager a referral fee, an introduction fee or other compensation in connection with identifying and referring Portfolio Assets for the Fund. The Funds may alter the terms on which such fee or compensation is offered and paid, and may discontinue this practice in the future, in its sole discretion. In addition, affiliates of the Investment Manager may also derive certain ancillary benefits from referring potential Portfolio Assets to the Funds, as providing these services to the Funds may enhance such affiliate's relationships with suppliers, Portfolio Fund Managers, Venture Fund Managers or portfolio companies, and may lead to additional business, and the possibility of earning additional compensation, for affiliates of the Investment Manager.

Possible Investment in Affiliated Portfolio or Venture Funds. The Investment Manager and its affiliates manage a number of private investment vehicles (each, an "Affiliated Portfolio or Venture Fund"). While not currently anticipated, it is possible that the Funds may invest in an Affiliated Portfolio or Venture Fund. The Investment Manager may be subject to a conflict of interest in deciding whether to invest in an Affiliated Portfolio or Venture Fund. While the Investment Manager would not directly benefit from such an investment, the Investment Manager and its affiliates, including members of the investment committees, may be incentivized to make such an investment to benefit one or more of its affiliates. An investment by the Fund may enable an Affiliated Portfolio or Venture Fund to commence operations or make an Affiliated Portfolio or Venture Fund more attractive to other investors and thus increase the capital invested with such Affiliated Portfolio or Venture Fund (and thus increase the asset-based management fees earned by the one or more affiliates of the Investment Manager).

The Funds may also invest in private investment vehicles which are not managed by the Investment Manager and its affiliates but in respect of which the Investment Manager and its affiliates may have financial interests. Such funds include unaffiliated vehicles where, as a result of the Investment Manager's or its affiliate's investment, agreement and/or relationship with such fund or its management, the Investment Manager or its affiliates receive economic benefits. If the Funds invest in such a fund, the Investment Manager will face several conflicts including the potential financial benefit from a Funds' investment in such fund. The Investment Manager or its affiliates may be subject to certain obligations to make investments in such funds, which any investments by the Funds will satisfy. In such a situation, the Investment Manager and its affiliates will be subject to conflicts of interest in causing the Funds make such an investment as it will satisfy the obligations of the Investment Manager or its affiliates.

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

Code of Ethics

Our employees are subject to the Jefferies Financial Group Inc. Code of Business Practice. Our own Code of Ethics (the “Code”) incorporates and supplements the Jefferies Financial Group Inc. Code of Business Practice with policies and procedures applicable to our employees. The purpose of the Code is to identify the ethical and legal framework in which we and our personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct. A complete copy of the Code is provided to investors and prospective investors upon request.

The Code is based on a few basic principles: (i) the interests of our clients come before our interests and those of our personnel; (ii) the professional activities and personal investment activities of our personnel must be consistent with the Code and avoid any actual, potential or the appearance of a conflict between the interests of clients and those of our firm or our personnel; (iii) the activities of our personnel must be conducted in a way that avoids any abuse of any such person’s position of trust with and responsibility to our firm and its clients; and (iv) our personnel may not engage in any act, practice or course of conduct that would violate the provisions of the federal securities laws.

Interested Transactions

Participation or Interest in Client Transactions. We and our affiliates may have an interest in transactions for our advisory clients to the extent permitted by law and by the constituent documents of the applicable Fund. For example, from time to time, we may take the following actions: (1) cause the Funds to buy or sell instruments in which we or our related persons have an interest and (2) cause the Funds to buy or sell instruments in which we, our related parties or other Accounts are at the same time effecting a sale or purchase. Furthermore, we may act as investment adviser for related persons. We have adopted policies and procedures with respect to permitted transactions with our affiliates designed to assure that our clients are treated fairly.

Various potential and actual conflicts of interest may arise from our overall advisory, investment and other activities and our affiliates and clients.

Instruments in Which We or Our Affiliates Hold Interests. We may, from time to time, recommend to or purchase or sell on behalf the Funds, securities or other investment products in which we, our affiliates or other related persons have a financial interest.

We and our affiliates may receive fees from third parties for performing consulting, merger and acquisition structuring or other financial advisory services or acting as directors, officers or creditors’ committee members. These fees can relate to actual, contemplated or potential investments of our clients. Such fees may be retained entirely by us or our affiliates.

Proprietary Trading. Our proprietary activities or portfolio strategies and those of our principals, employees and affiliates, or the activities or strategies used for Accounts could conflict with the transactions and strategies employed for a Fund and affect the prices and availability of the instruments in which a Fund invests. Issuers of instruments held by the Funds may have publicly or privately traded securities in which we and our affiliates are investors or make a market. Our trading activities and those of our affiliates generally are carried out without reference to positions held directly or indirectly by Accounts and may have an effect on the value of the positions so held or may result in us and our affiliates having an interest in the issuer adverse to that of a Fund.

Notwithstanding the foregoing, all employees when trading for their own accounts will do so in accordance with our Personal Account Trading Policy (described below).

Personal Trading

Personal Securities Transactions. Our policies require that our employees do not trade securities or commodities for their own account, except for (i) government and municipal securities, open-ended mutual funds and registered commodity pools, or (ii) otherwise with pre-approval pursuant to Compliance policies. Without limiting the foregoing, we may under certain circumstances permit an employee to maintain a position in a security even if an account trades the instrument. There is no current intention to change this policy, but the policy is subject to change in our sole discretion. The records of such trading, whether under the current or a new policy, are not made available to the investors for inspection.

Insider Trading. Our personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. This policy applies to all of our personnel and extends to their activities both within and outside their duties with us.

Item 12. Brokerage Practices

Investment or Brokerage Discretion

In selecting the brokers for performing portfolio executions, we take into account various factors, most notably, market-making and liquidity capabilities and access to investment opportunities. We also take into account such factors as the financial stability and reputation of the broker, the quality of the investment research and idea generation, special execution capabilities, settlement and other ancillary services. Accounts may pay more than the lowest available commission in consideration for our receipt of any or all of the above services.

We are not required to allocate either a stated dollar or stated percentage of our brokerage business to any broker for any minimum time period, and we review brokerage relationships from time to time.

Soft Dollars

“Soft dollars” refers to the provision by brokers of services and equipment to an adviser as a consequence of the adviser directing the trading of accounts it manages through such broker. JFO does not maintain soft dollar arrangements, and as a result of the investment strategy offered, does not intend to use “soft dollar” arrangements.

Trade Aggregation

Investments are generally made in the private markets and allocated as discussed in Item 6. Any public sales of securities may be made by multiple Funds through an aggregated order and the average price for each transaction will be allocated to each Fund.

Item 13. Review of Accounts

Funds are monitored and reviewed as follows: For each Fund, JFO personnel will monitor the performance of their respective Fund(s) on an ongoing basis. On a quarterly basis our operations staff review the positions and the value of each Fund. In addition, a committee including legal, compliance, operations and finance staff meets periodically to review items related to the Funds' investments.

We, either directly or through the third-party administrator to the Funds, provide the following reports to investors in our Funds: quarterly statements, annual audit report for Funds, and for investors in U.S. Funds, an IRS Schedule K-1. We may provide additional reports to the investors in the Funds as we deem necessary.

Item 14. Investor Referrals and Other Compensation

We do not intend to use any affiliated or unaffiliated placement agents.

We do not direct brokerage for investor referrals.

Item 15. Custody

We are typically deemed to have custody of the assets of certain of our Funds since our affiliates serve as the general partners of those Funds. Investors will not receive statements from the Funds' custodian with regard to portfolio holdings and transactions. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles.

Item 16. Investment Discretion

We have full discretionary authority with respect to investment decisions, and our advice with respect to the Funds is provided in accordance with the investment objectives and guidelines as set forth in the Governing Documents.

Item 17. Voting Client Securities

The Portfolio Assets in which the Funds invest are unlikely to be subject to a proxy statement, however in the unlikely event that we may be responsible for voting on shareholder proxies, we may do so only in accordance with the Investment Manager's Proxy Voting Procedures, in the best interests of the relevant Funds.

Item 18. Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and we have not been the subject of a bankruptcy proceeding. We do not require any payment in advance.

Item 19. Privacy Policy

Your Privacy is Important to Us

At Leucadia Asset Management LLC, we understand that our relationship with you is based on trust. This is reflected in everything we do including the way we handle our investors' nonpublic personal information. The following disclosure explains what personal information we collect, what we do with that information and the steps we have put in place to protect the nonpublic personal information you have entrusted to us.

Information We Collect

From time to time, we gain access to your personal information through

- Our interaction with you on the telephone, in person or through e-mail
- Account Applications or other forms you complete
- Transactions in your accounts or on your behalf
- Our website or the websites of our affiliated companies
- Trading tools or other information tools we may make available to you
- Third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your credit worthiness

Information We Disclose

Subject to legal, regulatory or other governmental requirements, it is our policy not to disclose any of your nonpublic personal information to third parties without your consent, unless those parties are providing services or support to us and have agreed to keep your nonpublic personal information confidential. Examples of these parties include, but are not limited to, the Fund administrator, attorneys and accountants and affiliates thereof. Even if you cease to transact business with us, we will continue to apply the same protections to your nonpublic personal information as we did when you were an active investor.

The Jefferies Family of Companies

Leucadia Asset Management LLC is a member of a family of related companies which are owned in whole or in part by Jefferies Financial Group Inc. These affiliated companies allow us to provide greater value to our customers, employees and shareholders. In the course of our business, employees or representatives of various affiliates will have access to your nonpublic personal information. They have agreed to hold your information confidential and to comply with the privacy policy established by Leucadia Asset Management LLC.

Protecting Your Information

Leucadia Asset Management LLC protects your nonpublic information from access by third parties by maintaining physical, electronic and procedural safeguards. We limit access to your information to those employees who are trained in the proper handling of nonpublic investor information and who need access to the information to perform their job functions.