

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

March 30, 2024

Third Point LLC

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This brochure provides information about the qualifications and business practices of Third Point LLC. If you have any questions about the contents of this brochure, please contact us at 212-715-3880. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Third Point LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2**MATERIAL CHANGES**

None.

ITEM 3

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ADVISORY BUSINESS

Third Point LLC (“Registrant”, “Third Point”, “we”, “Investment Manager”, or “Adviser”) is a Delaware limited liability company established in 1995. Registrant’s principal owner is Daniel S. Loeb. Registrant is registered with the SEC.

Third Point and its affiliates provide discretionary investment advisory services to a variety of domestic and offshore private investment vehicles that trade our primary strategy, including a fund of funds vehicle that invests nearly all of its investible capital in such private investment vehicles, a fund of one, a structured credit fund (“Structured Credit Fund”) (each a “Hedge Fund” and collectively, the “Hedge Funds”), a private real estate fund (“Private Real Estate Fund”), and several private equity-style funds (each a “Private Equity Fund”, and collectively with the Hedge Funds, the “Funds”), and a separately-managed institutional account (“Separately Managed Account” and collectively with the Funds, each an “Account” and collectively, the “Accounts”). Our primary strategy is an event-driven, value-oriented strategy that spans across a broad range of industries, geographies and asset classes.

For all but the fund of funds vehicle, the fund of one, and the Structured Credit Fund, we employ one strategy for all of our Hedge Funds but modify the strategy for certain Accounts to comply with account guidelines.

We manage approximately \$10.4 billion on a discretionary basis as of December 31, 2023. This figure includes the December 31, 2023 assets managed by Trawler Capital Management LLC (d/b/a) Third Point Private CRE Credit LLC that became a relying adviser under Third Point LLC as set forth in Form ADV Part 1A and Item 2 of the Form ADV Part 2A.

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FEES AND COMPENSATION

Fees

For the Hedge Funds, we typically receive an annual management fee of between 1.0 and 2.0% on assets under management depending on the Hedge Fund and share class or tranche. For one Hedge Fund, we may receive more than 2% depending on the ratio of its leverage relative to that of another Hedge Fund. In that instance, the management fee is equal to the applicable annual management fee rate (which may be 2.0%, depending on the share class) multiplied by the net assets of the Hedge Fund, multiplied in turn by the ratio of the Hedge Fund's leverage relative to that of the other Hedge Fund. Management fees are payable either monthly or quarterly in advance depending on the Hedge Fund. We also typically receive an annual performance allocation between 15% to 20% of the net realized and unrealized appreciation in the net asset value of each series of shares (in the case of a limited partnership interest, net capital appreciation of a capital account) in the respective Hedge Funds, which for one Hedge Fund is subject to a preferred return of 8% to 10%. For Hedge Fund investors in side pocket share classes, we receive management fees based on investment cost, and incentive fees that crystalize upon investment realization. Investors in the Hedge Funds may withdraw/redeem their interests or shares in whole or in part from the applicable Hedge Fund, which may be subject to additional limitations or penalties in accordance with the withdrawal/redemption terms of the relevant offering documents ("PPM"). If an investor withdraws/redeems its investment, any unearned fees paid in advance will be refunded in an amount prorated from the date of termination to the end of the relevant period in which the termination date falls.

For the Private Equity Funds, we receive a management fee of 1.5% based on either invested capital or capital commitments and carried interest at a rate of 20%. Investors in the funds may not withdraw/redeem their interests. In certain cases, the portion of the Management Fee allocable to an Investor in a Private Equity Fund will be waived or reduced for certain Investors (including but not limited to Investors participating in early closings).

For the Private Real Estate Fund, Third Point Private CRE Credit LLC receives an annual management fee of 1% on percentage of invested capital in the fund. Management fees are payable quarterly and in arrears. For any period, other than a full quarterly period, the management fee will be adjusted on a *pro rata* basis per the actual number of days in such period. The fund's general partner will receive a performance based-fee in the form of an incentive distribution, of 10% of the yearly net profit or appreciation of a capital account subject to a 6% hurdle. Incentive distributions are calculated annually and are generally not payable out of unrealized appreciation, although such appreciation may be considered in determining if the applicable hurdle has been met.

In addition, the Private Real Estate Fund may exempt certain investors from payment of all or a portion of the management and/or incentive disbursements by a direct exemption or as otherwise set forth in the Private Real Estate Fund's PPM. As of December 31, 2023, there were approximately 55 investors in the Private Real Estate Fund that are "founding investors". These founding investors are charged management fees and/or incentive disbursement fees but are entitled to a rebate of all or a portion of such fees depending upon whether Third Point Private CRE Credit LLC or the Private Real Estate Fund's general partner experiences a profit in a given calendar year, as further described below. The rebate for such founding investors is based on such investor's pro-rata share of Founding Commitment Profits (as defined below). Such investor's share of the Founding Commitment Profits that can be used as a rebate or reduction to management fees and/or incentive disbursement fees previously paid by or reserved on behalf of such investor in the applicable calendar year is based upon the capital commitments made by such investor as a percentage of the total \$200,000,000 of "founding commitments" (regardless of whether \$200,000,000 of founding commitments are actually made). By way of example, if the founding investor makes an \$80,000,000 capital commitment, the investor shall be

entitled to a fee rebate calculated as 40% of Founding Commitment Profits, up to a maximum amount equal to the annual management fees and incentive disbursement fees actually charged to the invest in the same calendar year, regardless of the total capital commitments to the Private Real Estate Fund as of any time. As used herein, the term “Founding Commitment Profits” shall mean 10% of the excess each year, if any, of (i) the management fee and incentive disbursement fee received by Third Point Private CRE Credit LLC or the general partner of the Private Real Estate Fund, over (ii) all (x) non-reimbursed operating and organizational expenses of Third Point Private CRE Credit LLC and the general partner of the Private Real Estate Fund, whether incurred prior to or after the date of such investor’s capital commitment, including but not limited to Operating Expenses and Organizational Expenses as defined in the Private Real Estate Fund’s limited partnership agreement and (y) costs and expenses of the operations of Third Point Private CRE Credit LLC and the general partner of the Private Real Estate Fund, including the cost of office space, supplies, salaries or other compensation of employees or consultants, and other general, administrative or overhead items. The investor’s rebate shall be applied first as a rebate or reduction to management fees, until all such management fees previously paid by such investor for the applicable calendar year are fully reimbursed to such investor and second, any remaining amounts shall then be applied as a rebate or reduction to such investor until all such incentive disbursement fees previously paid by such investor for the applicable calendar year are fully reimbursed to such investor and thereafter such investor shall not be entitled to any additional remaining Founding Commitment Profits generated in such year. The investor’s rights to any rebate shall cease in the event that such investor requests a redemption before the 5th anniversary of the date of such investor’s original capital commitment of all or any portion of its investment, regardless of the time at which such investment is actually redeemed. The founding investor’s rebate described above is not transferable.

The Adviser may offer other products, including co-investment opportunities alongside the Hedge Funds, to third parties selected by the Adviser in its sole discretion, including, without limitation, certain existing investors of the Funds and/or Separately Managed Account. Co-investment opportunities may be made available through limited partnerships, limited liability companies or other special-purpose entities formed to make such investments. Fees for such co-investment opportunities have been lower than the fees for the Hedge Funds.

The Adviser receives an advisory, management and incentive fee from the Separately Managed Account, which are directly negotiated with the client.

See Item 11 for information regarding the allocation of trades and investment opportunities among the Accounts.

The General Partner may, in its sole discretion, reduce, waive or calculate differently the Management Fee with respect to any partner, member or employee of the Investment Manager, the General Partner or their affiliates, such person’s family members and trusts or other entities established for the benefit of such person or his or her family members (each, a “Related Investor”). This may be effected by offering a new share class, tranche of interests, a rebate of the Management Fee or some other permissible means.

Expenses

Each Account will incur substantial fees and expenses whether or not any profits are realized.

Each Account will directly bear the costs relating to its ongoing existence and investment process, except as set forth below, and some Accounts will indirectly, through their interest in a master fund, pay their attributable share of master fund expenses. The offering or organizational documents of each Account set forth the various costs specific to each Account. Costs which will be borne by most Accounts include, as applicable, but are not limited to:

Investment and Trading

- trade support services including, but not limited to, pre- and post-trade support software and related support services;
- research (including computer, newswire, quotation services, publications, periodicals, subscriptions, data base services and data processing that are directly related to research activities on behalf of each Account) and consulting, advisory, expert, investment banking, finders and other professional fees relating to investments or contemplated investments, whether charged as fixed fees (such as retainers) and/or performance-based fees and allocations, in the form of cash, options, warrants, stock, stock appreciation rights or otherwise and irrespective of whether (i) there is a contractual obligation to pay such fees or (ii) such third parties are engaged by each Account and/or its affiliates in a dedicated or exclusive capacity; provided that each Account will not bear the costs of any third party who may be retained to provide trade idea generation to the Investment Manager or each Account on an ongoing basis;
- risk analysis and risk reporting by third parties and risk-related and consulting services;
- fees of providers of specialized data and/or analysis related to companies, portfolio companies, sectors or asset classes in which each Account has made or intends to make an investment;
- transactional expenses, including fees or costs related to due diligence, investigation and negotiation of potential investments, whether or not such investments are consummated;
- brokerage commissions and services and similar expenses necessary for each Account to receive, buy, sell, exchange, trade and otherwise deal in and with securities and other property of each Account (including expenses relating to spreads, short dividends, negative rebates, financing charges and currency hedging costs); and
- the holding, development, management, monitoring, administering, servicing, foreclosing and enforcing or otherwise exercising remedies related to, and sale or other disposition of investments in the Private Real Estate Fund (including any third party asset management fees, legal, audit, appraisal, structural review, environmental review, insurance, consulting, brokerage, underwriting and indemnification costs and expenses and fees in connection with the provision of financial accounting and reporting services to the Private Real Estate Fund).

For the avoidance of doubt, each Account will bear any costs (including legal costs) associated with contemplated or actual investments or proxy solicitation contests, the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related anti-trust or other regulatory filings) by the Investment Manager in connection with each Account's investments, any compensation paid to individuals considered for nomination, nominated and/or appointed, at the Investment Manager's request, to the board or credit

committee (or similar *ad hoc* committee) of a portfolio company (including any compensation paid in relation to serving in such capacity) and any related expenses (such as all costs incurred in connection with recruiting directors or members to serve on the board or credit committee (or similar *ad hoc* committee) of a portfolio company, proxy solicitors, public relations experts, costs associated with “white papers”, lobbying organizations to the extent reasonably determined by the Investment Manager to be employed in connection with investments or prospective investments of each Account and public presentations).

Legal and Compliance

- legal fees and related expenses incurred in connection with Account investments or contemplated potential investments or the ongoing existence of each Account, including legal costs and related expenses of (i) the General Partner, the Investment Manager and their respective affiliates, their respective members, partners, directors, officers, employees and legal representatives (e.g., executors, guardians and trustees), including persons formerly serving in such capacities (such as indemnification and advances on account of indemnification) that may be payable by each Account pursuant to any indemnification obligations of each Account or (ii) claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative, which includes formal and informal inquiries and “sweep” examinations (whether cooperation with such inquiries is voluntary or mandatory) or requests in connection with the activities of an Account), actual or threatened, in which the General Partner, the Investment Manager and their respective affiliates, their respective members, partners, directors, officers, employees and legal representatives (e.g., executors, guardians and trustees), including persons formerly serving in such capacities, may be involved, as a party or otherwise, arising out of or in connection with such person’s service to or on behalf of, or management of the affairs or capital of, an Account, or which relate to an Account or (iii) any threatened or actual litigation involving each Account, which may include monetary damages, fees, fines and other sanctions, whether as a result of such regulatory authorities or such commercial interests prevailing, or the Investment Manager determining to settle such threatened or actual litigation;
- legal and compliance third-party fees and expenses allocated to each Account to the extent the General Partner has reasonably determined that such services are related to, or otherwise benefitting, the organizational, operational, investment or trading activities of each Account including, without limitation, filing and registration fees and expenses (e.g., expenses associated with regulatory filings, audits and inquiries with the U.S. Securities and Exchange Commission (the “SEC”) (as they relate to the offering of shares or interests as well as to assets and liabilities of each Account), the U.S. Commodity Futures Trading Commission, the U.S. Federal Trade Commission and other regulatory authorities including foreign regulatory authorities, and any other filings or other undertakings required to be made in connection with or that otherwise relate to or are incidental to each Account’s organization (including the offering of shares or interests), administration, investments and operations, the affairs of an Account, including Form PF, but excluding the preparation of Form ADV and other expenses determined by the Investment Manager to be primarily related to other filings to be made, as well as the establishment, implementation and maintenance of internal policies and procedures of the Investment Manager that are intended to facilitate the Investment Manager’s compliance with respect to its “own” compliance obligations not directly related to any services provided to its clients (for instance, the Investment Manager’s obligation to maintain registration with the SEC or to maintain records such as those specified in Rule 204-2(a) under the Advisers Act are its “own” obligations; but its obligations relating to, without limitation, research, trading, investments and monitoring of investments are not the Investment Manager’s “own” obligations), as opposed to the compliance obligations of each Account);

Organizational and Operational

- eighty percent (80%) of the cost of any insurance premiums (other than wrongful employment practices insurance, premises liability insurance and insurance covering similar risks (e.g., covering liabilities of the General Partner or Investment Manager in their capacity as an employer or landlord/tenant)) including the cost of any insurance covering the potential liabilities of each Account, the General Partner, the Investment Manager, each of their respective affiliates or any agent or employee of each Account, as well as the potential liabilities of any individual serving at the request of each Account as a director of a portfolio company or as a credit committee member (such as directors' and officers' liability or other similar insurance policies and errors and omissions insurance or other similar insurance policies) (for purposes of utmost clarity, any deductibles or retentions pursuant to such insurance policies are liabilities to be borne in accordance with each Account's indemnification obligations);
- third-party valuation services, if applicable, (including fees of pricing, data and exchange services and financial modeling services), fund accounting, auditing and tax preparation (including tax filing fees, the cost of passive foreign investment company reporting, any expenses incurred in order to satisfy tax reporting requirements in an investor's jurisdiction (if applicable) and other professional services and advisors) and expenses related to complying with AEOI;
- management fees;
- organizational and offering expenses (including the cost of updating each Account's offering documents and other relevant documents, the negotiation of side letters and any related costs and legal and regulatory expenses associated with such offerings (e.g., "blue sky" filings and expenses related to the offering and sale of interests in compliance with the Directive 2011/61/EU on Alternative Investment Fund Managers));
- expenses related to the maintenance of each Account's registered office, registered agent and corporate licensing, as applicable;
- consultant and other personnel expenses of companies and non-U.S. offices formed for the purpose of facilitating and/or holding investments by any Account ("Facilitation Expenses");
- costs and expenses related to acquisition, installation, servicing of, and consulting with respect to, order, trade, and commission management products and services (including, without limitation, risk management and trading software or database packages);
- fees of the administrator;
- fees and expenses of the Unaffiliated Consultation Committee, Limited Partner Advisory Committee or any other supervisory or advisory body or committee (as defined in the PPM of each Account), as applicable;
- interest costs and taxes (including entity-level taxes and governmental fees or other charges payable by or with respect to or levied against each Account, its investments, or to federal, state or other governmental agencies, domestic or foreign, including real estate, stamp or other transfer taxes and transfer, capital and other taxes, duties and costs incurred in connection with the making of investments by each Account to the extent not otherwise allocated to investors under the applicable Account documents);

- custodian and transfer agency services (including the costs, fees and expenses associated with the opening, maintaining and closing of bank accounts, custodial accounts and accounts with brokers on behalf of each Account (including the customary fees and charges applicable to transactions in such broker accounts));
- wind-up and liquidation expenses; and
- all expenses associated with software licensing fees necessary to conduct Private Real Estate Fund related activities; and
- extraordinary expenses related to the Private Real Estate Fund; and
- amounts to be contributed or advanced to any person for the purpose of such person paying any cost related to investment and other purposes prior to capital being called from Private Real Estate fund investors or even in lieu of calling capital in accordance with the Private Real Estate Fund's PPM; and
- other similar expenses related to each Account.

Any description of the expenses herein that an Account may bear is not exhaustive and may not be applicable to every Account managed by Third Point. When allocating expenses, the Investment Manager must first determine whether such expenses are each Account's "own" expenses (for example, because they fall within the categories noted above, are similar to such expenses or are extraordinary expenses of each Account) and therefore are to be borne by each Account or whether such expenses are expenses of the Investment Manager to be borne by the Investment Manager. These determinations will necessarily be subjective and may give rise to conflicts of interest between the interests of an Account and the interests of the Investment Manager, who might otherwise bear such expenses.

Subject to certain exceptions such as tax or similar restrictions, all investment-related expenses will generally be shared by each Account *pro rata* to their participation (or expected participation) in that investment, while other covered expenses will generally be borne *pro rata* by each Account based on their relative net asset value or other applicable allocation base. Certain expenses reasonably deemed attributable only to particular Interests will generally be allocated to such Interests and similarly, certain expenses reasonably deemed attributable only to an Account(s) will be allocated to the Account(s) as applicable. However, if such allocation of expenses would result in an outcome that the Investment Manager considers not to be fair or equitable, the Investment Manager may allocate expenses among applicable Accounts in a manner it determines to be fair and equitable.

We engage the services of an independent third party to assist with identifying potential class action recoveries. The service provider is compensated based on a percentage of the proceeds recovered from all Third Point class action filings. As a result, all participating Accounts bear the cost (i.e. receive a reduced amount of the class action proceeds) of the third-party class action recovery services. Third Point credits any class action settlement proceeds received to the applicable Accounts.

While the Investment Manager may utilize certain information services, software, technology and data services paid for by an Account for purposes benefitting also the Investment Manager (e.g., development of marketing materials utilizing such information services, software, technology and data services), the Investment Manager will not reimburse the Accounts for such usage. For the avoidance of doubt, the Investment Manager is responsible for, and the Accounts shall not pay: (i) travel expenses of its principals and employees (other than Facilitation Expenses as described above); (ii) the Investment Manager's own overhead expenses, including salaries, bonuses, benefits, rent and other overhead; and (iii) information services, software, technology and data services purchased primarily for the benefit of the Investment

Manager's "own" purposes (but, for the avoidance of doubt, not those information services, software, technology and data services expenses described in the previous sentence).

As a result of the Investment Manager's integrated investment team, there could be instances where certain Accounts may not bear costs that are borne by other Accounts, and such costs result in incidental benefits to those other Accounts.

A Fund's organizational and offering expenses, to the extent the General Partner deems appropriate, may be, for accounting purposes, amortized by a Fund for up to a 60-month period, or until full amortization is achieved for the Private Real Estate Fund. Amortization of such expenses over a period that is up to 60 months (or until full amortization is achieved for the Private Real Estate Fund) is a divergence from U.S. generally accepted accounting principles ("GAAP"), which may, in certain circumstances, result in a qualification of a Fund's annual audited financial statements. In such instances, the General Partner may decide to (i) avoid the qualification by recognizing the unamortized expenses or (ii) make GAAP conforming changes for financial reporting purposes, but amortize expenses for purposes of calculating a Fund's net asset value. There will be a divergence in a Fund's fiscal year-end net asset value and in the net asset value reported in a Fund's financial statements in any year where, pursuant to clause (ii) above, GAAP conforming changes are made only to a Fund's financial statements for financial reporting purposes. If a Fund, other than the Private Real Estate Fund, is terminated within 60 months of its commencement, any unamortized expenses will be recognized. If the Private Real Estate Fund is terminated prior to the General Partner's recoupment of all organizational expenses, the General Partner would not be eligible for reimbursement. If an investor, other than an investor in the Private Real Estate Fund, withdraws all or a portion of its capital account prior to the end of the 60-month period during which a Fund is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses. For the Private Real Estate Fund, if an investor withdraws all or a portion of its capital account prior to the end of the period during which the Private Real Estate Fund is amortizing expenses, and has not already been charged their allocable share of the Fund's organizational and offering expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

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PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A description of the fees charged by Adviser is provided above in Item 5.

Compensation arrangements may create an incentive for the Investment Manager to make investments on behalf of the Accounts that are riskier or more speculative than would be the case if such arrangement was not in effect. In addition, because the performance compensation is generally calculated on a basis that includes unrealized appreciation of the Accounts' assets, it may be greater than if such compensation were based solely on realized gains.

We serve primarily as an investment adviser to the Accounts and are not actively seeking other new non-Fund accounts. However, we reserve the right to allow an investor who meets certain criteria to open a separately managed account which may have different and, possibly more favorable, terms regarding, among other things, transparency and liquidity than those of the Accounts.

We receive part of our compensation from the Accounts we advise in the form of performance allocations which are calculated as a percentage of certain net capital appreciation during a period (subject to high watermarks), and allocated at the end of each fiscal year of the relevant Account. We have a fiduciary duty to our clients not to favor the account of one client over that of another, without regard to the types and amounts of fees paid by those accounts. In light of this, we have allocation and other policies and procedures in place to ensure that accounts are treated fairly. We seek to allocate investments among Accounts with similar strategies on a pro rata basis.

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TYPES OF CLIENTS

Investors in the Accounts we manage typically include corporate and public pensions, sovereign wealth funds, endowments, foundations, fund of funds, high net worth individuals, and other investment or business entities. Investors in the Accounts also include a closed-end feeder fund (LSE:TPOU), a Bermuda-based reinsurance affiliate (NYSE:SPNT), and employee assets.

All investors in the Accounts are subject to applicable suitability requirements. The Adviser and the General Partner of each Fund require, as applicable, that each investor in an Account be an “accredited investor” as defined in Regulation D under the Securities Act and/or a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended. In certain circumstances, the investors may be required to meet other suitability requirements (e.g., a Person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, investors must invest a minimum dollar amount as determined in the applicable General Partner’s sole discretion. The General Partner reserves the right, in its sole discretion, to waive the minimum dollar amount.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Certain portions of the following discussion are applicable only to certain Accounts. Please refer to each Account's offering memorandum for a more detailed discussion of investment strategy and related risks.

An investment in an Account will involve a high degree of risk, including the risk of loss of the entire amount invested. The Accounts' investment program may utilize certain investment techniques and strategies, including leverage and short sales, and may purchase certain types of securities, such as derivatives, futures, swaps, warrants, options, mortgage-backed and other asset-backed securities ("ABS"), commercial real estate debt instruments, or other financial instruments, which can, in certain circumstances, substantially increase the adverse impact to which the Accounts may be subject. There is no assurance that the Accounts' investment objective will be achieved, and results may vary substantially over time. (References to securities herein refer to any and all types of financial instruments, unless the context suggests otherwise.) The following risk factors are not exhaustive and there may be additional risks that may negatively and materially affect the performance of the Accounts.

The risks set forth herein with respect to the Accounts are also applicable to the master fund of such Account, as applicable, and to any special purpose vehicles formed to facilitate such master fund's (and hence, indirectly, such Account's) investments.

Business Risks

Overall Investment Risk. All investments involve the risk of loss of capital. The securities to be purchased and traded by the Accounts will be speculative in nature, and the markets in which the Accounts will transact will be highly competitive. Changes in general domestic and international economic and political situations and conditions, including fluctuations in interest rates, the availability of credit, recession and other factors may adversely affect the Accounts' investments. The investment horizon, and consequently the duration, of many of the Accounts' investments may be longer than the shareholding period of investors. Consequently, investors withdrawing/redeeming their interests may not benefit from potential value embodied in the investments held by each Account at the time of their withdrawal/redemption. The investment techniques and strategies to be employed by the Investment Manager in an effort to meet each Account's investment objective may increase this risk. There can be no assurance the Investment Manager's techniques and strategies will be successful, or that the Accounts will not incur losses, which could be meaningful. Accordingly, any investment should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

Flexible Investment Approach. The Investment Manager has broad and unfettered investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help each Account achieve its investment objective. Additionally, the strategies that the Investment Manager may pursue for each Account are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. The Investment Manager has broad latitude with respect to the management of each Account's risk parameters. Each Account is subject neither to any hard limits regarding diversification of investments nor to formal leverage policies limiting the leverage to be used by each Account.

The Investment Manager will opportunistically implement whatever strategies, risk management techniques or discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. Investors must recognize that by investing in each Account, they are placing their capital indirectly under the discretionary management of the Investment Manager and authorizing the Investment Manager indirectly to trade for each Account and to

implement whatever strategies, risk management techniques or discretionary approaches, as well as such other investment tactics, in such manner as the Investment Manager may determine. The Investment Manager may use such leverage, position size, duration and other portfolio management techniques as it believes are appropriate for each Account.

Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings which could result in unsuccessful investments and, ultimately, losses to each Account. In addition, any new investment strategy, technique and tactic developed by each Account may be more speculative than previously utilized investment strategies, techniques or discretionary tactics and may involve material and as-yet-unanticipated risks that could increase the overall risk associated with an investment in each Account. While investors will receive monthly reports and quarterly letters describing certain characteristics of each Account's portfolio (but which may exclude certain information, including confidential or proprietary information), investors generally will not be notified of any changes in the Investment Manager's strategies, techniques, discretionary approach and tactics. There can be no assurance that the Investment Manager will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

Macro Strategy. Each Account's macro investing will consist primarily of investing in global fixed income, currency, commodities and equity markets, and their related derivatives, in order to exploit fundamental, economic, financial and political imbalances that may exist in and among markets throughout the world. The success of the Investment Manager's macro investing depends on the Investment Manager's ability to identify and exploit such perceived imbalances. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that the Investment Manager will be able to locate investment opportunities or to exploit such imbalances. In the event that the theses underlying each Account's positions fail to be borne out in developments expected by the Investment Manager, each Account may incur losses, which could be substantial.

Distressed Securities. The Accounts may purchase securities and other obligations of companies that are in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth or facing special competitive or product obsolescence issues or that are involved in bankruptcy or reorganization proceedings, liquidation or other corporate restructuring. Although such purchases may result in significant returns, they involve a substantial degree of risk that can result in substantial or total losses and may not show any return for a considerable period of time (if at all). In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. Among the problems involved in assessing and making investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the condition of such issuer. These types of investments require active monitoring and could, at times, require participation in bankruptcy or reorganization proceedings by the Accounts and/or the Investment Manager. To the extent that such proceedings arise, the Accounts may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, participation in such proceedings could restrict or limit each Account's ability to trade certain securities. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which each Account invests, each Account could lose its entire investment or could be required to accept cash or securities with a value less than each Account's original investment.

The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market prices of such securities to reflect their intrinsic values. In addition, it is anticipated that some of such securities in the portfolio of each Account may not be widely traded, and that each Account's position in such securities may be substantial in relation to the market for such securities.

Fixed Income Securities Generally. The Accounts may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bank debt, bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and other ABS. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity (*i.e.*, market risk), government interference, economic news, and investor sentiment. Each Account's fixed income investments may be subject to early withdrawal/redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by each Account earlier than expected. This may happen when there is a decline in interest rates, or when a borrower's performance allows the refinancing of certain classes of debt with lower cost debt. To the extent such early prepayments increase, they may have a material adverse effect on each Account's investment objectives and the profits on capital invested in fixed income investments. As with other investments made by the Accounts, there may not be a liquid market for any of the debt instruments in which each Account invests, which may limit each Account's ability to sell these debt instruments or to obtain the desired price. The Accounts may also purchase loans as participations and act as a provider for warehousing (or similar accommodations) for any financial instruments, and each Account may be subject to the credit risk of the selling financial institution as well as that of the underlying borrower.

The Accounts may attempt to take advantage of undervalued fixed income securities or relative mispricings in disrupted credit markets. The identification of attractive investment opportunities in disrupted credit markets is difficult and involves a significant degree of uncertainty. During periods of "credit squeezes" or "flights to quality," the market for fixed income investments can become substantially reduced. This poses a particular risk that leveraged credit instrument positions held by each Account may need to be sold at discounts to fair value in order to meet margin calls. At the same time, the dealers may correspondingly reduce the value of outstanding positions, resulting in additional margin calls as loan to value triggers are hit under prime brokerage and swap agreements.

Corporate Bonds. The Accounts may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates decline, the value of each Account's corporate bonds can be expected to rise, and when interest rates rise, the value of those securities can be expected to decline. Bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Many such bonds are unsecured, which makes them less likely to be fully repaid in the event of a bankruptcy.

High Yield Securities. The Accounts may invest in "high yield" debt and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest

than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold and could result in the Accounts being unable to sell such securities for an extended period of time. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. Minor economic downturns could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Ratings of Instruments May Not Accurately Reflect Risks. Rating agencies rate debt instruments based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt instruments. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While the Investment Manager gives some consideration to ratings, ratings often are not fully indicative of the actual credit risk of the investments in rated instruments.

Bank Loans. The Accounts may invest in loans and loan participations originated by banks and other financial institutions. These investments may include highly-leveraged loans to borrowers with below investment grade credit ratings. Such loans are typically private corporate secured loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower (whose equity may be publicly-traded) often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that Third Point obtains such information and it is material and nonpublic, each Account may be unable to trade in the other securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information. A failure by an Account to advance requested funds to a borrower could result in claims against an Account and in possible assertions of offsets against amounts previously lent. Depending on the way in which an Account acquires its interest in a bank loan, it may be exposed to credit risks of both the borrower and the institution which sold an Account its interest in the loan. Also, bank loan transfers typically require consent of the issuer and agent bank, so the settlement period is longer and creates increased credit and counterparty risk.

ABS Risks. An Account may invest in ABS structures. In addition to CLO risks described herein which will likely be applicable to such ABS investments, such investments may create additional risks such as the possibility of increasing student loan defaults, legal changes to student loan repayment programs and environmental hazards limiting air travel. ABS structures are primarily exposed to the performance and credit risk of the underlying collateral, which may also include consumer receivables, commercial loans, investment grade credit, high-yield credit and leveraged loans.

ABS are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on

the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. ABS are often backed by pools of any variety of assets, including, for example, leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the securities and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

Mortgage and Other ABS. The Accounts may invest in mortgage-backed securities ("MBS") and other ABS, whose investment characteristics differ from corporate debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. Mortgage-backed securities and ABS may also be subject to call risk and extension risk. For example, because homeowners have the option to prepay their mortgages, the duration of a security backed by home mortgages can either shorten (*i.e.*, call risk) or lengthen (*i.e.*, extension risk). In general, if interest rates on new mortgage loans fall sufficiently below the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to increase. Conversely, if mortgage loan interest rates rise above the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to decrease. In either case, a change in the prepayment rate can result in losses to investors. If an Account purchases securities that are subordinated to other interests in the same mortgage pool, such Account may only receive payments after the pool's obligations to other investors have been satisfied. Each Account may from time to time invest in structures commonly known as "Re-REMICS," in which case it will purchase an interest in a trust that owns mortgage-backed securities. Re-REMICS issue senior and junior tranches and each Account usually buys the junior, subordinated tranche. An unexpectedly high rate of default on mortgages in the mortgage pools serving as collateral for each Account's securities may limit substantially the applicable pool's ability to make payments to each Account as a holder of securities, which may reduce the value of those securities or render them worthless.

The residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance of the Accounts. Delinquencies, default and foreclosure rates with respect to residential mortgage loans remain high (compared to pre-crisis levels), and increases in delinquencies, defaults and foreclosures since 2006 have not been limited to sub-prime mortgage loans. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on residential mortgage loans, particularly with respect to second homes and investor properties and with respect to any residential mortgage loan, the aggregate loan amount of which (including any subordinate liens) is close to or greater than the related property value. Many states and localities have also experienced a significant increase in foreclosures. Foreclosure sales tend to depress home prices, thereby making it more difficult for borrowers to refinance and increasing the rate of defaults.

In response to these circumstances, U.S. federal, state and local authorities have enacted and continue to propose new legislation, rules and regulations relating to the origination, servicing and treatment of mortgage loans in default or in bankruptcy.

These initiatives could result in delayed or reduced returns on mortgage-backed securities. Changes in laws and other regulatory developments relating to mortgage loans may impact each Account's investments in mortgage-backed securities in the future.

Additionally, the exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. Furthermore, while Accounts, other than the Private Real Estate Fund, may not make direct ("physical") real estate investments, there may be circumstances where an Account will own real estate property as part of a required foreclosure on, or receipt of a deed in lieu of foreclosure from, a defaulted borrower or otherwise in connection with other real estate related investments. If the Investment Manager decides to dispose of the property following such foreclosure or receipt of such deed in lieu of foreclosure, it may not be able to find a third-party buyer it deems suitable for such property for an indeterminate amount of time. In certain circumstances, an Account may also become liable upon taking title to an asset for environmental or structural damage existing at the property. Finally, unless and to the extent specifically set forth in an Account's offering or organizational documents, the holding and managing of real estate property is not part of an Account's investment strategy and the management and ultimate liquidation of these properties may detract from the Investment Manager's ability to execute an Account's investment objectives. These circumstances may reduce returns and subject an Account to unexpected legal and regulatory proceedings.

In addition, numerous residential mortgage loan lenders that originated sub-prime mortgage loans are no longer operating or are otherwise unable to lend in significant amounts. Those difficulties have resulted in part from declining markets for mortgage loans, as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. The risk of such defaults is generally higher in the case of mortgage pools that include "sub-prime" mortgages.

Certain of the risks noted above in respect of mortgage-backed securities also apply to other types of ABS.

ABS secured by consumer loans may be subject to additional risks, including increased instances of nonperformance, which may result from over-leverage, the need for rehabilitation of the borrower or poor management by the related servicer. Modifications to nonperforming consumer loans may also adversely affect the performance of such securities as a result of principal or interest reductions on the underlying consumer loans. The secondary market for consumer loan ABS is limited, as is the market for the sale of consumer loans (whether performing or non-performing) in the event that any trustee of such securities attempts to sell the underlying collateral upon an event of default. Moreover, consumer loan origination may be subject to increasing regulation, which may result in substantial diminution of the market value of related ABS and the consumer loans themselves.

A 2015 court decision regarding the application of usury laws to non-bank holders of consumer loans may also impact the market for securitized consumer loan products by making such products less profitable to non-bank holders, which could have an adverse effect on an Account's investment in any consumer loan-backed ABS.

An Account may also purchase consumer and other loans from an originator or other third party and "warehouse" such loans until it has, along with other Accounts, accumulated a critical mass sufficient to securitize. Each Account will assume the risk of market value and credit quality changes in such warehoused loans from the date such warehoused loans are acquired by such Account to the securitization date. There is a risk that an Account may not be able to accumulate sufficient loans for such securitization purposes, in which case such Account may be required to hold the related loans until maturity. In addition, asset-backed security warehouse facility structures continue to evolve, in part to address new regulatory concerns and in part to react to market preferences. In the event that the warehouse structure adopted by an

Account in financing consumer loans becomes a disfavored or regulated structure, this could expose such Account to additional risk (e.g., the failure to syndicate or the increased expense of restructuring to comply with regulation).

An Account may also purchase accounts receivable, and warehouse and/or securitize such accounts receivable. Such accounts receivable are subject to similar risks as those disclosed above for loans. In addition, in certain circumstances an Account may hold a participation interest in accounts receivable or a loan rather than the accounts or loans themselves. In such circumstances, the Accounts may not have the rights to enforce compliance by the account debtor or borrower, may not have the right to object to or vote on changes to the underlying credit documentation, and may not benefit from set-off rights or a senior claim in the bankruptcy of the underlying debtor or borrower. Further, participation interests are subject to comparatively greater liquidity and financing risks than the underlying accounts receivable or loans.

An Account's investments in mortgage and other ABS may expose it to additional risks arising out of the new "risk retention" rules applicable to such securitizations. Such rules are already in effect for residential mortgage-backed securities and other ABS. Under these rules, sponsors of securitizations must retain at least 5% of the credit risk of the assets being securitized (via holding an eligible vertical interest, an eligible horizontal residual interest, or some combination of the two). While the Investment Manager has engaged advisors to structure its investments and intends its investments and structure to be compliant with these rules, they are new and untested. The final risk retention rules are silent with respect to the consequences of non-compliance. Whether or not intended, the SEC, the Federal Reserve, the Officer of Comptroller of the Currency or the Federal Deposit Insurance Corporation may determine that an Account or one of its affiliates is a sponsor of one or more of the securitizations in which an Account invests. Potential consequences of non-compliance could include civil monetary penalties, cease-and-desist orders, industry bans, or even rescission of contracts entered into in connection with the applicable securitization transaction, in which case the value of an Account's investments in related securities may be reduced to zero. If any of these consequences or other enforcement methods available to the applicable agencies are applied to the sponsor of a securitization in which an Account invests, partial or complete losses on the related securities may result and adversely affect the performance of such Account.

Commercial Mortgage-Backed Securities. An Account may invest in Commercial Mortgage-Backed Securities ("CMBS") and other MBS, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS contemplated to be acquired by an Account may not be rated, or may be rated lower than investment-grade by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, or "B-pieces," have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by the rating organizations can be regarded as having extremely poor prospects of ever attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect an Account from loss. As an investor in subordinated CMBS in particular, the Accounts will be first in line among debt holders to bear the risk of loss from delinquencies and defaults experienced on the underlying mortgage collateral.

In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of nonpayment than are senior tranches of CMBS or CMBS backed by third-party credit enhancement. Many commercial mortgage loans underlying CMBS are effectively nonrecourse obligations of the borrower, meaning that there is no

recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related CMBS. Revenues from the assets underlying such CMBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other MBS. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop. Further, the inherent conflict of interest between junior and senior tranches in any MBS is exacerbated in a typical CMBS trust, where a special servicer is appointed to manage the underlying collateral by the most junior outstanding creditors.

The value of CMBS and other MBS in which an Account may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific MBS are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline. Typically, commercial mortgage loans are not prepayable or are subject to prepayment penalties or interest rate adjustments, while the principal on most residential mortgage loans generally may be prepaid at any time without penalty. Because mortgage loans on commercial properties underlying CMBS often are structured so that a substantial portion of the loan principal is payable at maturity, repayment of the loan principal often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Investments in CLOs. Investments in CLO securities are extremely complex and are subject to a number of risks related to, among other things, changes in interest rates, the spreads of loans in the collateral pool, the rate of defaults and recoveries in the collateral pool, pre-payment rates, terms of loans purchased to replace loans in the collateral pool which have pre-paid, the exercise of remedies by more senior tranches and the possibility that no market will exist when an Account seeks to sell its interests in CLO securities and other risks described herein. If a CLO fails to satisfy one of the coverage tests provided in its indenture, all distributions on those CLO securities held by an Account will cease until that CLO brings itself back into compliance with such coverage tests.

The terms of loans held by CLOs may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on an obligation indirectly held by an Account earlier than expected, either with no or a nominal prepayment premium. There is no assurance that a CLO will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may materially affect the performance of an Account. Conversely, if the prepayment does not occur within the expected time frame, the term of an Account may be longer than expected or an Account may make distributions in kind.

CLO securities represent leveraged investments in the underlying collateral held by the CLO issuer. This leverage is intended to increase the cash flow available in respect of the amount invested by the

holders as compared with the cash flow that would be available in respect of a comparable investment in a non-leveraged transaction. Due to the existence of leverage, changes in the market value of the CLO securities could be greater than the changes in the values of the underlying collateral of the relevant issuer, which itself may be subject to, among other things, credit and liquidity risk. Although the use of leverage creates an opportunity for increased returns on the CLO securities, it increases substantially the likelihood that the holders of the CLO securities could lose their entire investment if the pool of collateral held by such CLO entity is adversely affected.

Payments of principal of, and interest on, debt issued by CLOs, and dividends and other distributions on unsecured subordinated notes and preference shares and warehouse financings (“CLO Equity”), are subject to priority of payments. CLO Equity is subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CLO, holders of CLO Equity generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by CLO Equity and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CLOs is borne by the CLO Equity. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and interest on such collateral. Excess funds available for distribution to the CLO securities will be reduced by losses occurring on the collateral, and returns on the CLO Equity will be adversely affected. Like other securities issued by CLOs, CLO Equity is payable solely from and to the extent of the available proceeds from the collateral held by the issuer. CLO Equity is part of the issued share capital of the issuer and is not secured. Except for the issuer, no person is obligated to pay dividends or any other amounts with respect to CLO Equity. Consequently, holders of the CLO Equity must rely solely upon distributions on the collateral. If distributions on such collateral are insufficient to pay required fees and expenses, to make payments on the debt securities of the issuer or to pay dividends or other distributions on CLO Equity, all in accordance with the applicable priority of payments, no other assets of the CLO issuer or any other person will be available for the payment of the deficiency. Once all proceeds of the collateral have been applied, no funds will be available for payment of dividends or other distributions on CLO Equity. Therefore, whether holders of CLO Equity receive a return equivalent to the repayment of the purchase price paid for CLO Equity and any additional return thereon will depend upon the aggregate amount of dividends and other distributions paid on the CLO Equity prior to any final redemption date and the amount of available funds on the final redemption date available for distribution to holders of CLO Equity. An investor in CLO Equity should understand distributions received over the life of the security constitute an undefined amount of interest and principal in a combined payment. As a result, the final payment received when a given CLO is called, redeemed, sold or liquidated is generally expected to be substantially less than the original cost of the investment even if the overall return on the investment may be positive.

In addition, the success of CLOs will depend, in part, on such CLO’s ability to acquire loans on advantageous terms. In acquiring loans, CLOs compete with a broad spectrum of investors, some of which may be willing to provide capital on better terms (from a borrower’s standpoint) than such CLOs. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns on CLO Equity in which an Account invests and, therefore, returns to the Account. Further, the terms of loans held by CLOs may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on an obligation indirectly held by an Account earlier than expected, either with no or a nominal prepayment premium. There is no assurance that a CLO will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may materially affect the performance of an Account. Conversely, if the prepayment does not occur within the expected time frame, the term of an Account may be longer than expected or an Account may make distributions in kind.

Relatively short-term credit facilities may be used to finance the acquisition of securities for

any new CLO until a sufficient quantity of loans are accumulated, at which time the assets are refinanced through a securitization, such as a CLO issuance, or other long-term financing. As a result, there is the risk that a CLO will not be able to acquire, during the period that the short-term facilities are available, a sufficient amount of eligible loans to create a new CLO that will achieve its targeted return. There is also the risk that a CLO will not be able to obtain such short-term credit facilities or may not be able to renew any short-term credit facilities after they expire should it be necessary to obtain extensions for such short-term credit facilities to allow more time to seek and acquire the necessary eligible instruments for a long-term financing.

Inability to renew or extend these short-term credit facilities may require a CLO to seek more costly financing for these assets or to lose the ability to utilize them in connection with the creation of a CLO issuance. In addition, conditions in the capital markets may make the creation of a CLO issuance less attractive when a sufficient pool of collateral is available. If such conditions were to exist and a CLO could not complete a CLO issuance prior to the expiration of such financing, the CLO may have to liquidate the investments that it had accumulated, potentially resulting in losses to the CLO. Any warehouse financing in which an Account invests will generally be subject to the same or similar risks and conflicts as the risk attributable to CLO securities described herein. In addition, because the assets in which warehouse financings are used to acquire are the same as the assets acquired by CLOs, they are subject to the same investment-specific risks described herein.

Insolvency of Structured Product (MBS and ABS) Issuers. Most structured products in which an Account will invest (MBS, ABS, CLOs) will be structured as bankruptcy-remote transactions, so that the Account will not have recourse to the parent/sponsor of the issuer in the event of any losses (and instead will have recourse only to the underlying collateral). If a court in a lawsuit brought by an unpaid creditor or representative of creditors of such an issuer, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the applicable structured product and, after giving effect to such indebtedness, the issuer: (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for this purpose varies. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was insolvent after giving effect to the incurrence of the indebtedness constituting the structured product or that, regardless of the method of valuation, a court would not determine that the issuer was insolvent upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer, payments made on the related structured product could be subject to avoidance as a preference if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on a structured product are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured.

Risks Associated with Bankruptcy Cases. Bankruptcy or insolvency proceedings are adversarial, lengthy, complex, involve multiple and diverse constituents seeking to maximize their recovery from a debtor with limited assets (which often results in some classes of stakeholders receiving little or no recovery), and involve the exercise of equitable authority on the part of the bankruptcy court or other competent authority. Many of the events in or affecting bankruptcies or insolvencies are beyond the control of the creditors and other stakeholders such as an Account. While such creditors and other stakeholders generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court or other competent authority would not approve actions that would be contrary to the interests of an Account. Furthermore, there are instances under applicable law where creditors and equity

holders (including an Account as applicable) lose their ranking and priority.

Generally, the duration of a bankruptcy case can only be roughly estimated and such estimates may later prove inaccurate. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and an Account and may be subject to unpredictable and lengthy delays. During such process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the company's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that an Account's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other changes with respect to, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, creditors and equity holders, in exceptional circumstances, may lose their ranking and priority as such when they take over management and functional operating control of a debtor if they are found to have exercised "domination and control" in a manner that adversely affected the debtors.

When a debtor seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), an automatic stay prevents anyone, including creditors, from foreclosing or taking any actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against a debtor prior to the date of the bankruptcy filing must petition the bankruptcy court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which such creditors have an interest will be "adequately protected" during the proceedings. If the bankruptcy court's assessment of adequate protection is inaccurate, creditors' collateral may be wasted without such creditors being afforded the opportunity to preserve it. Thus, even if an Account holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the bankruptcy court. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and, because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment. There can be no assurance that the security interests will not be challenged vigorously and found defective in some respect, or that an Account will be able to prevail against the challenge.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of certain inequitable conduct resulting in harm to other parties with respect to the affairs of a debtor filing for protection from creditors under the U.S. Bankruptcy Code. Creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of a debtor prior to its filing under the U.S. Bankruptcy Code. Serving on an

official or unofficial creditors' committee, for example, increases the possibility that an Account will be deemed an "insider" or a "fiduciary" of a company and may increase the possibility that the bankruptcy court would invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by an Account in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination also may arise outside of the context of an Account's committee activities. If a creditor is found to have interfered with the company's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. While the Account will attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that an Account will be able to successfully defend against them. In addition, if representation on a creditors' committee of a company causes an Account or the Investment Manager to be deemed an affiliate of such company, the securities of such debtor- issuer held by an Account may become restricted securities, which are not freely tradable.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other state or federal proceedings. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that an Account will be able to defend against them successfully. Additionally, to the extent an Account assumes an active role in any legal proceeding involving the debtor, an Account could be prevented from disposing of securities issued by the debtor if an Account possess material, non-public information concerning the debtor.

Risks Relating to Fraudulent Conveyances and Voidable Preferences by Issuers. Under U.S. legal principles, in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of securities (including a bankruptcy trustee), if a court were to find that the issuer did not receive fair consideration or "reasonably equivalent value" for incurring the obligation or for granting security, and that after giving effect to such obligation or such security, the issuer (a) was insolvent, (b) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital, or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate and avoid, in whole or in part, the obligation underlying an investment of an Account as a constructive fraudulent conveyance. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became due and matured. There can be no assurance as to what standard a court would apply to determine whether the issuer was "insolvent" after giving effect to the incurrence of the obligation in which an Account invested or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence.

In addition, it is possible a court may invalidate, in whole or in part, the indebtedness underlying an investment of an Account as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the obligor in satisfaction of such indebtedness. Moreover, in the event of the insolvency of an issuer of securities in which an Account invests, payments made on such obligation could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before the issuer becomes a debtor in a bankruptcy case. In general, if payments on the obligation are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from an Account to which such payments were made.

Even if an Account does not engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance or preference law, there can be no assurance as to whether any lending institution or other party from which an Account may acquire such security, or any prior holder of such security, has not engaged in any such conduct (or any other conduct that would subject the obligations

under the security to disallowance or subordination under insolvency laws) and, if it did engage in such conduct, as to whether such creditor claims could be asserted in a U.S. court (or in the courts of any other country) against an Account so that the Account's claim against the issuer would be disallowed or subordinated.

Bankruptcy Involving Non-U.S. Companies. The Account may invest in companies based in countries that are members of the Organisation for Economic Co-operation (“OECD”) and other non-U.S. countries. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain, while other developing countries may have no bankruptcy laws enacted, adding further uncertainty to the process for reorganization.

Investing in Emerging, Developing and Under-Developed Markets and Foreign Securities. Each Account's investing in foreign securities may involve heightened risks in comparison to the risks of investing in domestic securities, including unfavorable changes in currency rates and exchange control regulations, reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions, transfer taxes and custody fees, local economic or political instability and greater market risk in general. In particular, investing in securities of issuers located in emerging, developing and under-developed market countries involves additional risks, such as: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economy; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information, and lack of reliable information, about issuers; (xi) lax regulation of the securities markets and inconsistent enforcement of existing regulations; (xii) less established tax laws and procedures; (xiii) additional taxes (for example, dividend and interest payments from, and capital gains in respect of, certain foreign securities may be subject to foreign taxes that may or may not be reclaimable); (xiv) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xv) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xvi) certain considerations regarding the maintenance of each Account securities and cash with non-U.S. brokers and securities depositories. Finally, many transactions in these markets are executed as a “total return swap” or other derivatives transactions with a financial institution counterparty, and as a result each Account has counterparty credit risk with respect to such counterparty.

Risk Arbitrage Transactions. Each Account may also engage in risk arbitrage transactions where it will purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities in a proposed merger, exchange offer, tender offer or other similar transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer or other similar transaction. If the proposed merger, exchange offer, tender offer or other similar transaction later appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security purchased by an Account may decline sharply and result in losses to such Account. In certain transactions, the Accounts may not be “hedged” against market fluctuations. This can result in losses even if the proposed transaction is consummated. In addition, a security to be issued in a merger or exchange offer may be sold short by an Account in the expectation that the short position will be covered by delivery of such security when issued.

If the merger or exchange offer is not consummated, an Account may be forced to cover its short position at a higher price than its short sale price, resulting in a loss.

Thinly-Traded, Non-Publicly Traded and Illiquid Securities. Investments held by the Accounts may be thinly-traded or may lack a liquid trading market altogether, which may result in the inability of each Account to sell any such investment (or do so at desirable prices), or to close out a transaction (or do so at desirable prices) or to cover the short sale of an investment, thereby forcing the Accounts to incur potentially unlimited losses.

Investments may be subject to limitations on resale. Limitations on resale may have an adverse effect on the marketability of portfolio investments and each Account might be unable to dispose of investments purchased in private placements or other illiquid securities promptly or at reasonable prices. Each Account might also have to register such restricted investments in order to dispose of them resulting in additional expense and delay. In such circumstances, Accounts may be subject to additional potential liabilities as a seller of such investments under a registration statement or similar document. Adverse market conditions could impede such a public offering of investments.

Moreover, determining the fair value of thinly-traded, non-publicly traded and other illiquid investments is challenging and the values ascribed to such investments is likely to involve certain subjective assumptions.

Finally, since the Accounts do not have a “side pocket” mechanism, if there are substantial withdrawals/redemptions that are not offset by subscriptions and the Accounts need to raise cash by selling investments, withdrawing/redeeming investors are likely to be paid by Accounts through the sale of more liquid portfolio positions, thereby increasing the portion of the portfolio that is illiquid.

In connection with an investment in private securities, the Accounts may assume, or acquire an interest in, a portfolio company subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized, they may materially adversely affect the value of an Account investment. In connection with the disposition of an investment in private securities, an Account may be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of a business. The Accounts also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies of an Account.

Private Investments in Public Equity. An Account may invest in private investments in public equity commonly referred to as a “PIPE” transaction. PIPE transactions will generally result in an Account acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. Generally, in a PIPE transaction, an Account would enter into a definitive purchase agreement with the company in which it commits to purchase securities at a fixed purchase price and the issuer would not be obligated to deliver additional securities to an Account in the event of fluctuations in stock price or otherwise. As such, an Account may bear the price risk from the time of pricing until the time of closing. An Account’s ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale or the availability of an exemption therefor. Any number of factors may prevent or delay a proposed registration or limit the number of securities which can be registered. There can be no guarantee that there will be an active or liquid market for the stock of any issuer of a PIPE security. As a result, even if securities acquired in a PIPE transaction are registered or an Account sells such securities through an exempt transaction, the Account may not be able to sell all the securities on short notice, and the sale of some securities could lower the market price of the remaining, unsold securities.

Mezzanine Debt. It is expected that from time to time, an Account may invest in mezzanine debt. Mezzanine debt typically is junior to the obligations of an issuer to senior creditors, trade creditors and employees. The ability of an Account to influence such issuer's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which an issuer incurs a substantially higher amount of indebtedness than the level at which it previously had operated. Default rates for mezzanine debt instruments historically have been higher than for investment-grade instruments. In the event of the insolvency of an issuer or similar event, an Account's debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Convertible Securities. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on convertible securities may be less than that of a common stock equivalent if the yield on the convertible security is at a level that would cause it to sell at a discount. To the extent that convertible securities are rated lower than investment grade or not rated, there would be greater risk as to timely repayment of the principal of, and timely payment of interest or dividends on, those securities. In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of each Account's holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction which increases its outstanding securities.

Risks of Venture Capital Investments. As applicable, a Fund's investment portfolio will include securities issued by companies in what the Adviser determines to be in their "expansion stage" through "late stage/pre-IPO," whose securities are not publicly traded, as well as potentially early-stage private companies. These investments are sometimes referred to as venture capital investments. Such companies typically have short operating histories, a relatively short history of recurring revenues, 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 are significant risks associated with investments in such companies, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.

Though certain Account investments may be made in companies that have their first product available and a relatively small amount of recurring revenues from referenceable customers, such companies are likely to be unseasoned, unprofitable or may have no established operating history or sustainable earnings and are likely to lack technical, marketing, financial and other resources. An investment may be made in the hope that such company will be able to significantly expand and achieve significant market penetration and profitability. These companies are likely to be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies and their attempt to expand and achieve profitability. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

Following its initial investment in a company, such company may require additional funding, and the Funds may have the opportunity to increase its investment in such company. However, there can be no assurance that the Funds will determine to make or be able to make such follow-on investments. Any decision not to make follow-on investments, or its inability to make them, may have a substantial adverse effect on a company in need of such an investment and a Fund's investment therein, may result in a missed opportunity for a Fund to increase its participation in a successful enterprise, may result in significant dilution of any existing investment, or may cause a decrease in the value of a Fund's portfolio.

In addition, although many of the Fund's venture capital investments will be in companies that the Investment Manager classifies as in the "expansion stage" or "late stage/pre-IPO," such a determination is subjective and imprecise.

Financial Information and Projections. A Fund will rely upon projections, forecasts or estimates developed by a Fund or a portfolio company in which the Fund is invested concerning such company's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements and are based upon certain assumptions. Projected operating results of a portfolio company are typically based primarily on financial projections prepared by (or substantially informed by) such portfolio company's management. In all cases, projections are only estimates of future results, based upon information received from a portfolio company and assumptions made at the time the projections are produced. Furthermore, portfolio companies in which a Fund may invest in generally will be private unlisted companies. Such companies often maintain less comprehensive financial information than, and are generally less regulated than, listed companies. Actual events are difficult to predict and beyond the Funds' control. Actual events often differ from those assumed and general economic factors (which are generally unpredictable and outside the control of the General Partner and its affiliates and employees) can have a material effect on the accuracy of financial projections. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or results will not be materially lower or otherwise less favorable than those estimated therein.

Early-Stage Investments. Furthermore, a Fund may additionally make investments in companies that are in a conceptual or early-stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of these companies will need to implement and maintain successful marketing, finance, personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change.

Early-stage investments are likely to need additional capital to support growth or to maintain their competitive position. Such capital may not be available on attractive terms from private sources. A Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of funding. The public market for early stage companies is highly volatile. Such volatility may adversely affect the ability of portfolio companies to raise capital when needed, the ability of a Fund to dispose of investments and the value of a Fund's investment securities on the date of sale or distribution. Any investments in early-stage companies are considered highly speculative and may result in the loss of the Fund's entire investment.

Risks of Investments in Portfolio Companies. 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 Fund's investments will be profitable and there is a substantial risk that the Fund's losses and expenses will exceed its income and gains. Any return on investment to the investors will depend upon successful investments the Investment Manager makes on behalf of the Funds. There often will be little or no publicly-available information regarding the status and prospects of portfolio companies. Many investment decisions by the Investment Manager will depend upon the ability of its members, employees and agents to obtain relevant information from nonpublic sources, and the Investment Manager 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 Investment Manager's control. Although a member of the Investment Manager may serve on the board of directors of a portfolio company, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Funds or the Investment Manager). The Fund is likely to hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes.

Portfolio companies often 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. A Fund's capital is limited and may not be adequate to protect the Funds from dilution in multiple rounds of portfolio company financing.

There can be no guarantee that any portfolio investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that a Fund's portfolio investments will yield little or no return. Generally, the venture investments made by a Fund 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 a Fund's 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. While the Funds' venture investment universe is broad, it is expected that many of its investments will focus on technologies or processes that result in or enable "digital transformation." Digital transformation technologies and processes can prove to be difficult to develop and market, and their success often would depend on significant penetration into the marketplace. In particular, there have been many examples of technology-related investments that failed to produce attractive returns simply because they were made or deployed too early, or faced competition and/or resistance that were insurmountable.

Late Stage/Pre-IPO Venture Investments. The Funds expect to invest in what the Adviser believes to be late stage/pre-IPO private companies. The technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Difficulty of Sourcing Suitable Venture Investments. Investors must rely upon the ability of the Investment Manager to identify, structure and implement investments consistent with a Fund's investment objectives. There can be no assurance that there will be a sufficient number of suitable venture investment opportunities to enable the Funds to invest in opportunities that satisfy each Fund's investment objectives, or that such investment opportunities will lead to completed investments by the Funds. The success of the Fund's investments in venture portfolio companies will depend on the ability of the Investment Manager to identify suitable investments, to negotiate and arrange 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.

The market for attractive venture capital investment opportunities in the Funds' target sectors is highly competitive. The Funds will compete for the acquisition of investments with many other investors, some of which will have greater resources than the Funds. Such competitors may include other private funds as well as individuals, financial institutions and other institutional and strategic investors. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Investment Manager and/or the Funds. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which portfolio investments can be made. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Moreover, the identification of attractive investment opportunities is difficult and involves

a high degree of uncertainty. The Funds may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy its investment objectives or that the Funds will be able to fully invest its committed capital.

Operating and Financial Risks of Venture Portfolio Companies. Portfolio companies in which the Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment or an economic downturn. As a result, portfolio companies that the Funds expect to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress.

Moreover, companies in which the Funds invest may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

Dependence on Patents, Trademarks and Other Intellectual Property. Certain 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 companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a 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 company's particular product, which could materially and adversely affect such company.

Portfolio Company Reliance on Technology. The Accounts may invest in companies whose performance is highly correlated with their ability to successfully implement new technology and/or exploit existing technologies (such as in FinTech companies). Technology-reliant sectors are 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 companies in which an Account invests 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 companies in which an Account invests are unable to utilize technology successfully and competitively, returns to investors may decrease.

Risks Inherent in FinTech Investing. An Account may make investments in FinTech portfolio companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products and services and/or improvements in existing products. Additionally, many FinTech activities in Organisation for Economic Cooperation and Development jurisdictions are regulated with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as nonbank lending and debt collection) and supervision (in particular banking and insurance). While the Dodd-Frank Act (as defined below) clarified certain pre-emption issues, there often is a tension between state regulatory regimes and federal regulation. The Account's investments in this industry will compete in this volatile environment. There is no assurance that products or services sold by these companies will not be rendered obsolete or adversely affected by competing products and services or that these companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech-oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these

companies.

Private Technology Company Investments. The Accounts may invest in private technology companies including, without limitation, enterprise software companies, cybersecurity companies, and companies in related infrastructure sectors. Such investments involve a high degree of business and financial risk and can result in substantial or total loss. Private technology 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. Private technology companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Accordingly, the growth of these private technology companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Investments in such private technology companies can experience failure or substantial declines in value at any stage.

Regulated Industries of Venture Investments. Certain industries are heavily regulated (such as in financial services, healthcare or healthcare-related industries). To the extent that an Account makes investments in companies that are involved in industries that are subject to greater amounts of regulation than other industries generally, such investments would pose additional risks relative to investments in other companies and issuers. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures for such companies. If a company in which an Account invests fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. Companies in which an Account invests also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on them. Governments have considerable discretion in implementing regulations that could impact a company's business, and governments could be influenced by political considerations and could make decisions that adversely affect a company's business. Additionally, certain companies could have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject their activities and labor relations matters to complex laws and regulations relating thereto. Moreover, their operations and profitability could suffer if they experience labor relations problems. Upon the expiration of their collective bargaining agreements, they could be unable to negotiate new collective bargaining agreements on terms favorable to them, and their business operations at one or more of their facilities could be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating their collective bargaining agreements. Work stoppages could have a material adverse effect on the business, results of operations and financial condition of any such companies. Any such problems could impact the credit quality of any such company or otherwise adversely impact an investment in such company and additionally could bring scrutiny and attention to an Account itself, which could adversely affect the Account's ability to implement its investment objectives.

There can be no assurance that a company targeted by the Accounts will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent such company from operating in accordance with the Accounts' expectations, could limit its ability to engage in certain regulated activities or could otherwise result in additional costs which have an adverse impact on any investment by an Account in such company.

Bankruptcy of Portfolio Companies. The Funds may, but do not expect to, make investments in portfolio companies that experience financial difficulties and become insolvent or file for bankruptcy

protection. In the event that such a portfolio company files for bankruptcy protection, the Funds will likely be unable to sell its claims without realizing a significant loss and may be unable to recover current interest on such claims during the course of the bankruptcy case. In addition, there can be no guarantee that a debtor will be able to satisfy all of its liabilities or that the Funds will be able to recover the entire amount of its bankruptcy claim. Bankruptcy or insolvency proceedings are adversarial, lengthy, complex, involve multiple and diverse constituents seeking to maximize their recovery from a debtor with limited assets (which often results in some classes of stakeholders receiving little or no recovery), and involve the exercise of equitable authority on the part of the bankruptcy court or other competent authority. Many of the events in or affecting bankruptcies or insolvencies are beyond the control of the creditors and other stakeholders such as the Fund. While such creditors and other stakeholders generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court or other competent authority would not approve actions that would be contrary to the interests of the Fund. Furthermore, there are instances under applicable law where creditors and equity holders (including the Fund as applicable) lose their ranking and priority.

Generally, the duration of a bankruptcy case can only be roughly estimated and such estimates may later prove inaccurate. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Fund and may be subject to unpredictable and lengthy delays. During such process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the company's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other changes with respect to, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, creditors and equity holders, in exceptional circumstances, may lose their ranking and priority as such when they take over management and functional operating control of a debtor if they are found to have exercised "domination and control" in a manner that adversely affected the debtors.

When a debtor seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), an automatic stay prevents anyone, including creditors, from foreclosing or taking any actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against a debtor prior to the date of the bankruptcy filing must petition the bankruptcy court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which such creditors have an interest will be "adequately protected" during the proceedings. If the bankruptcy court's assessment of adequate protection is inaccurate, creditors' collateral may be wasted without such creditors being afforded the opportunity to preserve it. Thus, even if the Fund holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the bankruptcy court. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may

be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and, because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment. There can be no assurance that the security interests will not be challenged vigorously and found defective in some respect, or that the Fund will be able to prevail against the challenge.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of certain inequitable conduct resulting in harm to other parties with respect to the affairs of a debtor filing for protection from creditors under the U.S. Bankruptcy Code. Creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of a debtor prior to its filing under the U.S. Bankruptcy Code. Serving on an official or unofficial creditors' committee, for example, increases the possibility that the Fund will be deemed an "insider" or a "fiduciary" of a company and may increase the possibility that the bankruptcy court would invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Fund in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination also may arise outside of the context of the Fund's committee activities. If a creditor is found to have interfered with the company's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. While the Fund will attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Fund will be able to successfully defend against them. In addition, if representation on a creditors' committee of a company causes the Fund or the Investment Manager to be deemed an affiliate of such company, the securities of such debtor issuer held by the Fund may become restricted securities, which are not freely tradable.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other state or federal proceedings. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that the Fund will be able to defend against them successfully. Additionally, to the extent the Fund assumes an active role in any legal proceeding involving the debtor, the Fund could be prevented from disposing of securities issued by the debtor if the Fund possess material, non-public information concerning the debtor.

Risks Related to the Private Real Estate Fund

General Considerations of Investments in Real Estate. Real estate values can be impacted by a variety of factors. Some of those factors include: (i) economic conditions in the U.S. and/or international markets, (ii) local market factors such as an abundance of space or a drop in demand for space; (iii) financial condition of tenants, buyers and sellers of properties; (iv) changes in rental rates; (v) location and quality of the properties and changes in the relative demand for property types and locations; (vi) the strength and capability of property management; (vii) potential liability under changing environmental and other laws or succession in ownership and fluctuations in real estate tax rates and other operating costs and expenses; (viii) energy and supply shortages; (ix) fluctuations in interest rates and the availability of debt financing; (x) uninsured losses or delays from casualties or condemnation; (xi) government regulations (including those governing usage, improvements, zoning and taxes) and fiscal policies; (xii) quality of maintenance, insurance and management services; (xiii) property level or structural latent defects; and (xiv) acts of God, acts of war (declared or undeclared), terrorist acts, strikes and other factors beyond the control of the Adviser.

Real Estate Debt Investments. Investments in real estate debt have certain inherent risks relative to collateral value. In some circumstances, an Account's loan may not be secured by a mortgage, but by partnership interests or other collateral that may provide weaker rights than a mortgage. In the event of a

default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment). Returns on an investment of this type depend on the borrower's ability to make required payments and, in the event of default, the ability of the loan's servicer to foreclose and liquidate the mortgage loan. In addition to the risks of borrower default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including the risks of illiquidity, lack of control, mismanagement or decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments.

Investments in Real Estate Related Subordinated Debt. Subordinated or mezzanine debt interests may be in real estate and related companies and properties whose capital structures may have significant leverage ranking ahead of an Account's investment. Although the Adviser may anticipate that an Account's investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of an Account's investments and will typically benefit from cross-default provisions, some or all of such terms may not be part of particular investments. The Adviser anticipates that an Account's usual security for these types of investments will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in many cases an Account may not have a mortgage or other direct security interest in the underlying real estate assets and may not have complete control over the underlying asset. Furthermore, it is likely that an Account will be restricted in the exercise of its rights in respect of these types of investments by the terms of subordination agreements between it and the leverage ranking ahead of an Account's capital. Accordingly, an Account may not be able to take the steps necessary to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives of an Account or any particular investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, an Account may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by such Account.

Illiquid Real Estate Related Investments. Investments made by an Account may be relatively illiquid. It is unlikely that there will be a public market for the investments held by an Account. An Account generally will not be able to sell its investments publicly unless the sale is registered under applicable U.S. federal and state securities laws, or unless an exemption from such registration requirements is available. Moreover, in some cases an Account may be prohibited by contract from selling investments for a period of time. Given the nature of the real estate related investments contemplated by an applicable Account, there is a meaningful risk that such Account will be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy within any given period of time. These risks could arise from changes in the financial condition of the person or entity in which the investment is made, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which investments are made. Dispositions of investments may be subject to contractual and other limitations on transfer (including prepayment penalties with respect to property-level debt) or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof.

Non-Performing Loans; Foreclosure Process. Real estate loans acquired by an Account may be at the time of their acquisition, or may become after their acquisition, non-performing for a variety of reasons. Non-performing real estate loans could require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that upon maturity of such real estate loan, replacement "takeout" financing may not be available. Investments in properties operating under the close supervision of a mortgage lender or under bankruptcy or other similar laws are, in certain circumstances, subject to certain additional potential liabilities that may

exceed the value of an Account's original investment therein. For example, in certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties because of such actions. In addition, under certain circumstances, payments may be required to be returned if such payment is later determined to have been a fraudulent conveyance or a preferential payment. To the extent that an Account purchases partial interests in non-performing loans, an Account may not have control over the workout process and the management of the real estate assets. It may be necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by an Account. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including lender liability claims and defenses, even when such assertions may have no basis in fact, so that it can delay the foreclosure action. In some states, foreclosure actions can take up to several years or more to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Restrictive Covenants Related to Real Estate Investments. An Account may enter into a credit facility with one or more lenders in order to finance its operations (including the acquisition of an Account's investments). Such a credit facility would likely require an Account to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. An Account may incur indebtedness under such credit facility that bears interest at a fixed or variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various Account purposes. Moreover, any such credit facility may contain a number of common covenants that, among other things, might restrict the ability of such Account to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness or make capital expenditures or cash distributions; (iii) create liens on assets, or enter into leases, investments or acquisitions; (iv) engage in mergers or consolidations; (v) in the case of the Private Real Estate Fund, make capital calls to the partners or permit partners to transfer their interests in such Private Real Estate Fund; or (vi) engage in certain transactions with affiliates, and otherwise restrict corporate activities of such Account (including its ability to acquire additional investments, businesses or assets, certain changes of control and asset sale transactions) without the consent of the lenders.

Interest Rate Risks and Hedging Related to Real Estate Investments. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Adviser. An Account will have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of the Account's investments. Changes in the general level of interest rates can affect an Account's income by affecting the spread between the income on its assets and the expense of its interest-bearing liabilities, as well as, among other things, the value of its interest-earning assets, the market value of its assets, and its ability to realize gains from the sale of investments. An Account may finance its investment activities with both fixed and floating rate leverage. With respect to floating rate leverage, an Account's performance could be negatively affected if such Account fails to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. Should an Account so elect (and it will be under no obligation to do so), the use of these instruments to hedge a portfolio that carries certain risks, including the risk that losses on a hedge position will reduce an Account's earnings and funds available for distribution to its investors and that such losses may exceed the amount invested in such instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. An Account may also be exposed to the risk that the counterparties with which such Account trades may cease making markets and quoting prices in

such instruments, which may render such Account unable to enter into an offsetting transaction with respect to an open position.

Market Disruption. An extended or worsening economic downturn could negatively impact the financial resources of an Account and its investments, and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In such situations, an Account may lose both invested capital in, and anticipated profits from, the affected investments. The recent financial crisis has led to a marked decrease in the availability of financing (and, in many cases, an increase in the interest cost) for leveraged transactions, which may impair an Account's ability to consummate certain transactions or cause such Account to enter into such transactions on less attractive terms.

Tenant Financial Strength. Negative changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on an Account's ability to receive required payments or the ability to collect rent payments and, accordingly, on its ability to make distributions. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in distributions to an Account and its investors.

Market Conditions. An Account's strategy in some investments may be based, in part, upon the premise that real estate businesses and assets will be available for purchase by an Account at prices that the Adviser considers favorable. Further, an Account's strategy for an investment may rely, in part, upon the continuation of existing market conditions relating to supply and demand. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend, in part, upon events and factors outside the control of the Adviser.

Financial Market Fluctuations. General fluctuations in the market prices of securities may affect the value of the investments held by an Account. Instability in the securities markets may also increase the risks inherent in an Account's investments. The ability of companies or businesses in which an Account may invest to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Terrorist Activity Risks Related to Real Estate Investments. Given current conditions, it is possible that one or more of an Account's investments will be directly or indirectly affected by a terrorist attack. An attack could have a variety of adverse effects on the business and performance results of one or more of an Account's investments or subsequently acquired investments, including risks and costs related to the destruction of property, inability to use one or more properties for their intended uses for an extended period, decline in rents achievable or property value and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or subject to increased insurance premiums and deductibles that Trawler deems uneconomic. It is not possible to predict the severity of the effect that any of these future events would have on the U.S. financial and insurance markets and economy or an Account's investments. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy, thus harming demand for and the value of an Account's investments.

Public Health Crisis Impact on Real Estate Related Investments. In addition to risks related to Public Health noted above, such disruptions can negatively impact the ability of the Adviser's personnel to effectively identify, monitor, operate and dispose of investments. The outbreak of COVID-19 has contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect the Adviser's ability to raise capital for an Account, find financing for an Account's portfolio companies or identify potential purchasers of an Account's investments, all of which could have material and adverse impact on an Account's performance. The impact of a public health crisis such as COVID-19 (or any future

pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to an Account's performance.

Usury Limitations. Interest charged on loans owned by an Account may be subject to state and foreign usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.

Concentration in Real Estate Related Investments. An Account may participate in a limited number of investments and consequently the aggregate return of the Account's investments may be significantly impacted by the negative performance of even a single investment.

Valuation of Real Estate Related Investments. To the extent that the Private Real Estate Fund invests in securities and instruments that are illiquid, not traded on an established market or for which no value can be readily determined, the Adviser generally will value such securities and financial instruments in good faith at fair value based on various factors, including external pricing sources (if any), recent trading activity (if any) or other information in the Adviser's discretion. While pricing information is generally available for distressed and private securities, there is currently no centralized source for such pricing information and prices quoted by different sources are subject to material variation. The valuation of certain illiquid assets is inherently subjective and subject to increased risk that the information utilized to value the asset or to create the price models may be inaccurate or subject to other error. Reliable pricing information may at times, and for certain investments, not be available from any source. Typically, prices for distressed securities become more unreliable when the issuer's financial condition deteriorates. Such valuations may not be indicative of what actual fair market value would be in an active, liquid or established market. In addition, the actual value of the security or other instrument may prove significantly different. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. The Adviser's valuations are subject to review by independent third parties. Inaccurate valuations may, among other things, prevent or inhibit effective portfolio and risk management, may affect diversification, may affect the net asset values at which an Account's interests or shares are issued and redeemed, and may affect the determination of management fees and the performance-based fees, and therefore create conflicts of interests.

Recycling of Capital in a Private Real Estate Fund. For certain Accounts, the Adviser has the right to recall (or "recycle") certain distributed amounts, including in respect of returned fees and expenses and returned capital, in accordance with the Private Real Estate Fund's PPM. Accordingly, during the term of a Private Real Estate Fund, an investor may be required to make capital contributions in excess of its commitment. Any such reinvestment would limit early distributions to investors, and to the extent such recalled or retained amounts are reinvested, an investor will remain subject to the investment and other risks associated with such investments. As a result, reinvestment could increase the risk of investing in a Private Real Estate Fund. Additional investments resulting from recycling have the potential to increase investment returns to investors (and reduce the effective burden of management fees assessed on the basis of commitments during a Private Real Estate Fund's commitment period) to the extent such investments are profitable. However, there can be no assurance that any such investment will have a positive return. Further, any such additional investments will have the effect of increasing the management fee borne by investors following the investment period, and as a result the Adviser may face a conflict of interest with respect to such additional investments insofar as it is incented to deploy recycled capital in additional investments when it might not otherwise have done so.

Risks of Special Techniques

Each of the special investment techniques that each Account may use is subject to certain risks that are summarized below.

Leverage. Each Account is authorized to incur leverage, which could be at times significant.

Although the use of borrowed money to purchase securities will permit each Account to make investments in an amount in excess of each Account's capital, it will also increase each Account's exposure to losses. While there is no limit on each Account's use of leverage, each Account will seek to use levels of leverage on a risk-adjusted basis deemed prudent by the Investment Manager. The use of leverage also exposes the Accounts to increased operational and market risks. Among other risks, the use of leverage tends to exacerbate and/or accentuate negative market movements, small hedging errors may be amplified by leverage, price and valuation disputes with counterparties must be resolved to assure collateral maintenance and hedges may at times fail to track investments due to uncorrelated changes in spreads among various instruments.

In certain circumstances, the Board or General Partner, as applicable, by written notice to the investors, may suspend the payment of withdrawal/redemption proceeds. In these circumstances, because the withdrawal/redemption request itself is not suspended, any amounts actually withdrawn/redeemed will be owed by an Account to the withdrawing/redeeming investor. Accordingly, if the value of each Account's assets decreases following the implementation of such a suspension, the withdrawal/redemption proceeds payable to such investors will result in additional leverage for each Account.

Margin Borrowings. Each Account could be subject to a "margin call" pursuant to which it must either deposit additional funds or liquidate assets for subsequent deposit with a prime broker, or each Account could suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a drop in the value of each Account's assets, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin debt. In such a case, the prime broker may liquidate additional assets of each Account to satisfy such margin debt.

Repurchase Agreements. Under a repurchase agreement, each Account "sells" securities or other obligations and agrees to repurchase them at a specified date and price. In a reverse repurchase transaction, each Account "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by each Account, plus interest at a negotiated rate.

The use of repurchase and reverse repurchase agreements by each Account involves a variety of risks. For example, repurchase agreements may involve the risk that the market value of the securities or other obligations purchased with the proceeds of the repurchase agreement by each Account may decline below the price of the securities or other obligations each Account has sold but is obligated to repurchase. If the buyer of securities or other obligations under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of each Account to repurchase the securities or other obligations and each Account's use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities or other obligations that each Account has purchased has decreased, such Account could experience a loss.

Further, in relation to reverse repurchase agreements, if the seller of securities to an Account defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, each Account will seek to dispose of such securities, which action could involve costs or delays and each Account may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, each Account's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that each Account may not be able to substantiate its interest in the underlying securities.

Necessity for Counterparty Trading Relationships; Counterparty Risk. Each Account has relationships with counterparties used to obtain financing, derivative intermediation and prime brokerage

services; however, there can be no assurance that each Account will be able to maintain such relationships or establish new ones. An inability to establish or maintain such relationships would limit each Account's trading activities and could create losses, preclude each Account from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent each Account from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before each Account establishes additional relationships could have a significant impact on each Account's business due to each Account's reliance on such counterparties.

Some of the markets in which each Account may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes each Account to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing each Account to suffer a loss. In addition, in the case of a default, each Account could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where each Account has concentrated its transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of each Account's counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of each Account's counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the U.S. Securities Investor Protection Act of 1970, as amended or the U.S. Bankruptcy Code), there exists the risk that the recovery of each Account's securities and other assets from each Account's prime brokers or broker-dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. The insolvency of such prime broker or broker-dealer could seriously damage the operations of each Account, and each Account could lose a substantial portion or all of its assets held with such prime broker or broker-dealer. Securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of each Account, and hence each Account may be exposed to a credit risk with regard to such parties. Assets which are deposited with each Account's brokers as margin will be available to the creditors of the brokers in the event of the bankruptcy or insolvency of the broker. For example, while brokers are required to segregate client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients. The broker may be able to transfer client assets out of such client accounts in the ordinary course of business, or rehypothecate the assets. If the *pro rata* share that each Account receives is less than 100% of what the broker owes it (each Account is entitled as a matter of law to the cash and marked-to-market value of the securities in its prime brokerage account, minus any indebtedness to the relevant broker), each Account could recover cash or securities with a marked-to-market value of up to a specified statutory limit from a fund established under U.S. law to reimburse customers of insolvent brokers. If each Account does not recover all cash and securities, including securities that have been rehypothecated, from its account with a broker after receiving its *pro rata* share of customer property recovered from the insolvent broker's estate, if any, and maximum payment from the customer reimbursement fund established under U.S. law to reimburse customers of insolvent broker-dealers, it will be an unsecured creditor of the insolvent broker with respect to such shortfall and, therefore, may not be able to recover equivalent assets in full, or at all. In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), each Account may be unable to trade the assets that were held by the insolvent broker during this transfer period. In certain circumstances, the assets of an Account held at a broker could be at risk if other clients of the broker fail to meet margin requirements and the assets of the broker are insufficient to cover any shortfall. Further, there may be practical or timing problems associated with enforcing each Account's rights to its assets in the case of an insolvency of any such party.

In addition, each Account may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to the laws and regulations in foreign jurisdictions that are

designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to each Account's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on each Account and its assets.

Each Account is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Investment Manager's evaluation of the creditworthiness of each Account's counterparties may prove inaccurate. The ability of each Account to transact business with any one or more counterparties, the lack of complete and "foolproof" evaluation of the financial capabilities of each Account's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by each Account.

Derivative Instruments in General. The Investment Manager may use various derivative instruments, including options, futures, forward contracts, swaps and other derivatives, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value. Derivatives, especially over the counter ("OTC") derivatives which are entered into as a privately negotiated contract with a principal counterparty, may be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments. Entering into derivative contracts exposes the Funds to counterparty risk because there can be no assurance that a counterparty will be able or willing to meet its obligations or that the Accounts will succeed in enforcing contractual remedies. If a counterparty becomes insolvent, an Account may experience significant delays in obtaining any recovery under the derivative contract in an insolvency proceeding or may obtain a limited or no recovery of amounts due to it. Derivatives used for hedging purposes may not correlate strongly with the underlying investment sought to be hedged. Derivative instruments may not be liquid in all circumstances, so that in volatile markets each Account may not be able to close out a position without incurring a loss. Trading in derivative instruments may permit each Account to incur additional leverage, which may magnify the gains and losses experienced by each Account and could cause each Account's net asset value to be subject to wider fluctuations than would otherwise be the case. While derivatives used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When an Account uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. Each Account is therefore directly exposed to the risks of that derivative. Derivatives may not be available to each Account upon acceptable terms. Government regulation of derivatives markets could, among other things, restrict an Account's ability to engage in, or increase the cost to an Account of derivatives transactions. In addition, the Investment Manager intends to rely on an exemption from registration with the Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator under CFTC Rule 4.13(a)(3). In order to qualify for the Rule 4.13(a) Exemption, an Account's exposure to CFTC regulated derivatives must remain below a de minimis threshold. As a result, each Account may be unable to enter into certain derivatives positions that would otherwise be desirable.

Futures. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account, and a relatively small price movement in a futures contract may result in substantial gains or losses to the trader. Futures positions are marked to the market each day and variation margin payments must be paid to or by each Account. Futures trading may also be illiquid, and certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. Should prices fluctuate during a single day's trading beyond those limits, which conditions might last for several days with respect to certain contracts, each Account could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. The CFTC and various exchanges impose position limits on the number of

positions that each Account may hold or control in particular contracts.

Options. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price. Options also involve counterparty risk. However, each Account generally intends for a majority of its trading in option contracts to be standardized options which trade on recognized exchanges. The Investment Manager believes that these options provide greater liquidity and involve less counterparty risk than customized options for which a clearinghouse does not exist.

Trading in Forward Contracts. Each Account may engage in the trading of forward contracts. In contrast to futures contracts traded on an exchange, forward contracts are not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. Banks and other dealers with whom each Account may transact in such forwards may require such Account to deposit margin with respect to such trading, although margin requirements may at times be minimal. Each Account's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. In addition, disruptions can occur in any market traded by each Account due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in substantial losses to the Accounts.

Hedging Transactions. Each Account is under no obligation to hedge any risk arising out of its investment program and may elect to not hedge any such risk, or to hedge only specific risks. Such hedging activities may be aimed at preventing changes in the market value of each Account's portfolio resulting from fluctuations in the securities markets and changes in interest rates, protecting each Account's unrealized gains in the value of the portfolio, enhancing or preserving returns, spreads or gains on any investment in each Account's portfolio, protecting each Account against fluctuations in the interest rate or currency exchange rate, protecting each Account against any increase in the price of any securities each Account anticipates purchasing at a later date, or may be done for any other reason that the Adviser deems appropriate. The success of each Account's hedging strategy will be subject to the correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of each Account's hedging strategy will also be subject to the Adviser's ability to recalculate, readjust and execute hedges in an efficient and timely manner. There is no guarantee that the Adviser will be able to do that successfully. While each Account may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for each Account than if it had not engaged in any such hedging transactions. For a variety of reasons, the Adviser may not seek to establish a strong correlation between such hedging instruments and the portfolio holdings being hedged. Such weak correlation may prevent each Account from achieving the intended hedge or expose each Account to risk of loss.

Swap Agreements. Swap agreements are privately negotiated OTC derivative products in which two parties agree to exchange actual or contingent payment streams that may be calculated in relation to a rate, index, instrument, or certain securities, and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of

different types of investments or market factors. Depending on their structure, swaps may increase or decrease each Account's exposure to commodity prices, equity or debt securities, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of each Account's portfolio. Swap agreements can take many different forms and are known by a variety of names. Each Account is not limited to any particular form of swap agreement if the Adviser determines that other forms are consistent with each Account's investment objective and policies. A significant factor in the performance of swaps is the change in individual commodity values, specific interest rates, currency values, or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by each Account, such Account must have sufficient cash availability to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement may also decline, potentially resulting in losses to an Account.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") includes provisions that comprehensively regulate OTC derivatives markets for the first time, including the swap markets.

The Dodd-Frank Act and regulations implementing the Dodd-Frank Act mandate that certain OTC derivatives must be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearing member and clearinghouse, as well as possible SEC or CFTC mandated margin requirements. The CFTC and other federal and global financial regulators have adopted margin requirements for uncleared derivatives which may present significant challenges and additional risks for an Account, including increased collateral posting obligations and associated costs, reduced access to dealer counterparties, potential decreases in market liquidity and other unforeseen consequences. These requirements also may result in an Account being unable to adequately hedge its investments, which may have an adverse impact on the performance of an Account. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for certain "end-users," each Account does not expect to be able to rely on such exemptions. In addition, the OTC derivatives dealers with which each Account executes the majority of its OTC derivatives will be subject to clearing and margin requirements irrespective of whether each Account is subject to such requirements. OTC derivatives dealers also will be required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as is currently permitted. This will increase the OTC derivatives dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront margin, less favorable trade pricing and the possible imposition of new or increased fees. While many of the Dodd-Frank Act reforms have already been implemented, certain reforms are still pending and there is uncertainty as to whether and how such legislation and reforms will be implemented and applied in the future.

The SEC and CFTC may also require certain derivatives transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including each Account, to enter into tailored or customized transactions. They may also render certain strategies in which each Account might otherwise engage impossible, or so costly that they will no longer be economically viable to implement.

OTC derivatives dealers and major OTC derivatives market participants will be required to register with the SEC and/or CFTC. Although neither the Accounts nor the Investment Manager is required to register as a dealer or major participant in the OTC derivatives markets, it is possible that going forward, each Account and/or the Investment Manager may be required to be registered as a dealer or major participant. Registered OTC derivatives dealers and major participants are subject to a number of regulatory requirements, including minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are OTC derivatives, exchange-traded or cleared. OTC derivatives dealers

will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest and other regulatory burdens. These requirements may further increase the overall costs for OTC derivatives dealers, which costs are also likely to be passed along to market participants. The overall impact of the Dodd-Frank Act on the Accounts is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Although the Dodd-Frank Act will require many OTC derivatives transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by each Account may remain OTC or principal-to-principal contracts entered into privately by each Account and third parties. The risk of counterparty nonperformance can be significant in the case of these OTC instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Dodd-Frank Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Dodd-Frank Act is fully implemented, a process that may take several years or more.

The European Market Infrastructure Regulation similarly seeks to comprehensively regulate the OTC derivatives market in Europe for the first time including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties. Taken together, these regulatory developments will increase the OTC derivatives dealers’ costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing and possible new or increased fees.

Short Sales. Each Account may engage in short selling of any of the instruments it trades. In selling short, each Account bears the risk of an increase in the value of the instrument sold short above the price at which it was sold. Such an increase could lead to a substantial (theoretically unlimited) loss, as the market price of instruments sold short may increase indefinitely. Under certain market conditions, each Account might have difficulty purchasing instruments to meet its short sale delivery obligations (such as to complete a dealer buy-in of the underlying instrument). Each Account might also have to sell instruments to raise the capital necessary to meet its short sale margin call obligations at a time when fundamental investment considerations would not favor closing out such short position. The Investment Manager’s use of “directional” short-selling has subjected each Account, and may continue to subject each Account, to risk of litigation. Lawsuits can be brought against short sellers of a company’s stock to discourage short selling. Among other claims, these suits may allege libel, conspiracy, and market manipulation and may expose each Account to significant liabilities.

Short-selling activities are subject to restrictions imposed by U.S. and non-U.S. securities laws and the various securities exchanges. Limitations on short-selling have been imposed on an emergency basis in the past during market disruptions. Short-selling may be subject to further regulatory restrictions in the future, including reporting requirements on short-selling, which may prevent each Account from successfully implementing its investment strategies involving short-selling.

Credit Default Swaps. Each Account may purchase or sell credit derivatives contracts—primarily CDS—both for hedging and other purposes. The typical CDS contract requires the seller to pay to the buyer, in the event that a particular entity (each, a “Reference Entity”) experiences specified credit events, the difference between the notional amount of the contract and the value of a security or portfolio of securities issued by the Reference Entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. CDS generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

Factors that may influence the value of CDS include the contractually specified credit-related events with respect to a Reference Entity that may trigger settlement of the CDS; optionality that a party has under the terms of the CDS, such as the ability to select the obligations of a Reference Entity that will be delivered or valued or to decide whether or not to trigger settlement; market liquidity for a particular type of CDS; interest rates and the amount of any periodic fixed payments required to be made under the CDS; and the time remaining to the maturity of the CDS.

Decisions made by industry-appointed Credit Derivatives Determinations Committees (“Determinations Committees”) may affect each Account’s rights and obligations under a CDS. If so provided under the terms of a CDS, a Determinations Committee will have the power to make binding decisions on critical issues, such as whether a “credit event” with respect to the Reference Entity has occurred, which obligations of the Reference Entity are deliverable and whether an auction to determine the settlement price for related CDS should take place. The institutions serving on the Determinations Committees or any external reviewers do not owe any duty to each Account in such capacity and each Account may be prevented from pursuing claims with respect to actions taken by such persons.

There can be no assurance that each Account will achieve its hedging, investment or other objectives. Credit events that trigger CDS are expressly defined under the terms of a CDS transaction and may not encompass all of the circumstances in which each Account may suffer credit-related losses on an obligation of a Reference Entity. Similarly, some entities that experience credit difficulties do not file for bankruptcy or default on payments on all of their obligations. Instead, they may enter into work-out or restructuring arrangements with their creditors. Unless a CDS expressly provides for a “restructuring” credit event—and the actual event falls within the agreed definition of that credit event—the protection buyer under a CDS may not receive any compensation if such a workout or other restructuring occurs.

CDS transactions can be more operationally intensive than other transactions. CDS transactions may require that certain notices be given in order to exercise rights, realize value or protect and preserve interests under the transaction. Failure to act within the requisite time periods could adversely affect each Account’s interests under a CDS agreement.

The ultimate outcome of a CDS transaction (following the occurrence of a credit event and satisfaction of all conditions to settlement, if applicable) will be affected by the settlement method applicable to the transaction.

If so provided, a CDS transaction may be cash settled by reference to the price of certain deliverable obligations of the Reference Entity determined in an auction conducted pursuant to terms published by the Determinations Committee. Although auctions generally can be expected to be held for CDS of Reference Entities that are widely traded in the credit markets, there can be no assurance that an auction will be held for future credit events or that, if held, the auction will result in the determination of a final price. If an auction is not held or fails to result in the determination of a final price, generally either physical settlement or cash settlement will apply.

If “physical settlement” applies to a CDS transaction, the protection buyer must select (if the terms of the CDS transaction provide the protection buyer a choice) an obligation or obligations of the Reference Entity that satisfies specified deliverability criteria and deliver those obligations to the protection seller in the amount specified in the CDS transaction. In such cases, it is likely that the portfolio of obligations selected by the protection buyer will be obligations of the Reference Entity with the lowest market value that are eligible for selection pursuant to the terms of the CDS transaction. Alternatively, physical settlement may not be possible to accomplish under some circumstances, such as inability to procure a deliverable obligation due to market dislocations or prior withdrawals/redemptions or refinancing by the Reference Entity. In such event, the protection buyer may receive no recovery if it is unable to make a required delivery.

If “cash settlement” applies, one of the parties may be required to seek quotations for selected obligations of the Reference Entity. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the Reference Entity (for example, liquidity constraints affecting market dealers). Moreover, the market value of a Reference Entity’s obligations may be highly volatile in the period following a credit event. Accordingly, any quotations so obtained may differ significantly from the value of the relevant obligation that would be determined by reference to the present value of related cash flows, or the value that a party to a CDS transaction could obtain if it controlled the disposition of the obligations.

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of related CDS. No Reference Entity has any obligation to consider each Account’s interest (as a party to a CDS) as to any corporate or sovereign actions that might affect the value of the CDS. A Reference Entity may have an incentive to structure a corporate transaction to produce a particular result under CDS, in order to induce holders of its debt obligations to take certain actions. In some instances, a Reference Entity may repay its outstanding liabilities or assign them to a different entity, in which case a CDS with respect to that Reference Entity may no longer have deliverable obligations that could be considered for purposes of settlement of the CDS (a circumstance commonly referred to as an “orphan” credit transaction), which may result in losses for the protection buyer.

A protection seller under a CDS generally will not have rights equivalent to those of a holder of debt obligations of the relevant Reference Entity, such as voting rights or rights to receive consent fees or other distributions from the Reference Entity. Consequently, entering into a CDS transaction as protection seller may be riskier than a direct investment in the obligations of a Reference Entity.

Enhanced Regulation of Short Sales and Credit Default Swaps. Since November 2012, short sales and CDS are subject to the provisions of the EU Regulation on Short Selling and certain aspects of CDS (the “Short Selling Regulation”), which was published in the Official Journal of the European Union on March 24, 2012. The Short Selling Regulation introduces restrictions and disclosure requirements for persons taking short positions in EU shares and sovereign bonds, and prohibits entering into uncovered CDS in relation to EU sovereign debt (*i.e.*, where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU Member States to prohibit or restrict short sales, limit sovereign CDS and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual securities which have suffered a significant fall in price in a single day.

The provisions of the SEC rules and the Short Selling Regulation may hinder each Account’s investment program by preventing it from taking positions that the Investment Manager considers favorable. They may also result in overvaluations of certain securities due to restrictions on market efficiency. In addition, the SEC’s “Circuit Breaker Uptick Rule” and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual securities, may adversely affect each Account by preventing it from taking hedging positions or other positions that the Investment Manager considers to be in each Account’s best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to each Account.

Investments in Certain Metals and Commodities. Each Account may invest directly or indirectly, long or short, in metals, commodities and similar materials. Since ownership of such investments does not generate any income, the sole source of return would be from gains realized on sales of the investments, and a negative return would be realized to the extent such investments are sold at a loss. Certain metals, commodities and similar materials may incur storage or insurance costs that are higher than the custody fees paid on traditional financial assets. Prices of such metals, commodities and materials are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments

and countries. Certain metals, commodities and similar materials are also subject to governmental action for political reasons. Markets for physical commodities are at times volatile, and there may be sharp fluctuations in prices even during periods of rising prices. There is also a risk that such metals, commodities or similar investments could be lost, suffer damage or deterioration if not adequately stored, or stolen, or that access to such investments could be restricted by natural events (e.g., force majeure) or tortious human actions. Such risks are increased to the extent each Account takes possession of a physical commodity. The storage costs for physical commodities are higher than the custody fees paid on financial assets, although each Account will contract with internationally recognized custodians to hold any of its owned physical commodities. However, these custodians, consistent with market practice, may not have insurance adequate to cover any such loss. Finally, it is complicated to leverage positions in physical commodities, and to the extent an Account needs to raise cash on an expedited basis, such commodities may not be available to borrow against on commercial terms.

Exchange Traded Funds (ETFs). Each Account may invest in shares of ETFs, including for hedging purposes. ETFs may be passively or actively managed. Passively managed ETFs generally seek to track the performance of a particular market index, including broad-based market indexes, as well as indexes relating to particular sectors, markets, regions or industries. Actively managed ETFs do not seek to track the performance of a particular market index and instead actively make investment decisions regarding the securities to be included in an investment portfolio. As an investor in ETFs, each Account will bear its ratable share of various fees, allocations and expenses of the ETF, all of which are embedded in the net asset value of the ETF. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which, in the case of passively managed ETFs, are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although passively managed ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of their expenses and other factors.

Interest Rates. Each Account may be adversely affected by changes in interest rates. Interest rates are determined by factors of supply and demand in the international money markets and can be influenced by macro-economic factors, speculation and other forms of government intervention. Each Account may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

Currency. Each Account's accounts will be denominated in U.S. dollars. Investors bear all risks of exchange rate fluctuations in respect of any purchase of interests using currencies other than U.S. dollars. Also, certain of the investments of each Account may be in currencies other than U.S. dollars. Each Account intends to typically hedge against currency exchange rate fluctuations, but may not do so in the sole discretion of the Investment Manager. Unless an Account hedges against fluctuations in exchange rates between the U.S. dollar and the currencies in which Account investments are denominated in foreign markets, any profits which such Account might realize in such trading could be eliminated as a result of adverse changes in exchange rates, and such Account could even incur losses as a result of any such changes. Even if each Account hedges against such fluctuations, there is no guarantee such hedges will eliminate or reduce such losses. In addition to hedging transactions, each Account may take speculative positions in currency. Such positions may be leveraged and be subject to significant volatility based on a wide variety of factors which could subject each Account to significant loss.

Cryptocurrency Risks. The Accounts may invest in virtual or "crypto" currencies, coins, tokens, crypto-assets and other similar distributed ledger-based digital assets having a digital representation

of value and related digital asset transactions (“Cryptocurrency”). The Accounts’ Cryptocurrency transactions may include, but are not limited to, direct investment on a spot basis, indirect investment involving derivatives contracts referencing Cryptocurrencies (including but not limited to Cryptocurrency futures), and income generated through, activities such as staking and lending. Examples of well-known Cryptocurrencies include Bitcoin, Bitcoin Cash, Ethereum and Litecoin. An Account may also participate in decentralized finance transactions, or DeFi, through a variety of distributed ledger-based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology. In addition, an Account may invest in decentralized autonomous organization-related instruments. An Account may invest in Cryptocurrencies through index funds and other pooled investment funds.

Cryptocurrencies generally (1) are not issued by a central bank or a public authority and are not governed by a centralized issuer or administrator (i.e., are decentralized), (2) rely on cryptographic protocols and distributed ledger network technology and can be transferred, stored or traded electronically, (3) with certain exceptions, are not attached to but may be converted into one or more fiat currencies (and vice versa), and (4) in some cases may be accepted as a means of payment

Cryptocurrencies are a relatively new and highly speculative asset. Cryptocurrencies and futures contracts based on Cryptocurrencies (as well as related options on Cryptocurrencies futures) are extremely volatile, and investment results may vary substantially over time. These instruments involve substantially more risk and potential for loss relative to more conventional financial instruments, such as stocks, bonds, and derivatives referencing more conventional asset classes. Investments of this type should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments. These risks should generally be considered relevant to both spot and derivative Cryptocurrency transactions, as applicable, unless otherwise specified.

The Unique Features of Cryptocurrencies. Due to the relatively limited history of Cryptocurrencies and the rapidly evolving nature of the Cryptocurrency market, it is not possible to know all the risks involved in making an investment in Cryptocurrency, and new risks may emerge at any time. Cryptocurrencies have gained some commercial acceptance only within the past decade and, as a result, there is little data on their long-term investment potential or adoption in the marketplace. Additionally, due to the rapidly evolving nature of the Cryptocurrency market, including the development of new Cryptocurrencies and advancements in the underlying technology, it is not possible to predict which Cryptocurrencies the Accounts may own in the future or even to fully describe those potential Cryptocurrencies. New Cryptocurrencies or changes to existing Cryptocurrencies may expose the Accounts to additional risks which are impossible to predict. The growth of a Cryptocurrency in which the Accounts do not invest may adversely impact the demand for, and price of, one or more Cryptocurrencies in which the Accounts do invest, thereby adversely affecting the value of the Accounts’ Cryptocurrency investments.

Cryptocurrencies are not recognized as legal tender, nor backed by the full faith and credit of, or endorsed by, any U.S. governmental authority. Likewise, with limited exceptions, Cryptocurrencies are not recognized as legal tender, nor backed by the full faith and credit of, or endorsed by, any non-US governmental authorities. The value of Cryptocurrency in respect of any specific transaction is based on the agreement of the parties thereto, and the value of such Cryptocurrency more broadly is based on the agreement of market participants. Currently, a significant portion of Cryptocurrency demand is generated by speculators seeking to profit from short- or long-term price fluctuations. Cryptocurrencies may have no intrinsic value; in most cases, the price of Cryptocurrencies is dependent on the value that market participants place on them, meaning that any increase or loss of confidence in Cryptocurrencies may affect their value.

Because Cryptocurrencies are a newly developing asset, there is a comparatively smaller number of participants in the Cryptocurrency investment space relative to other investment areas such as securities or conventional commodities. For instance, there may be a limited number of dealers or financial institutions willing to enter into spot Cryptocurrency transactions with the Accounts. Consequently, the

Adviser at times may be unable to identify suitable investments for the Accounts, and the Accounts may be unable to purchase suitable investments particularly in periods of market volatility or disruption or for any number of other reasons. To the extent the Accounts experience difficulty in buying or selling Cryptocurrency, the Accounts may not always be fully invested and may be unable to achieve its investment objective. In addition, the Accounts could also suffer liquidity issues, impairing the ability to process redemptions. The global market for Cryptocurrency is characterized by supply constraints that differ from those present in markets for tangible assets, including commodities such as gold and silver. The mathematical protocols under which certain Cryptocurrencies are mined permit the creation of a limited, predetermined amount of currency, while others have no limit established on total supply. If the amount of a Cryptocurrency acquired or sold by the Accounts or another investor is large enough relative to global supply and demand, those persons could have an impact on the supply of and demand for the relevant Cryptocurrency and therefore its price. This situation could be exacerbated in economic or market crisis scenarios that motivate large-scale purchases of Cryptocurrencies, which could rapidly increase Cryptocurrency prices but cause substantial decreases once crisis-driven purchasing behavior wanes. Such an impact could affect the trading prices for the relevant Cryptocurrency, which would directly and potentially adversely affect the value of the Accounts.

A number of Cryptocurrency investors and Cryptocurrency-related service providers have experienced difficulty in identifying banks or financial institutions that are willing to provide them with bank accounts and related services. Banks and financial institutions may also discontinue services to such businesses. The Accounts could be materially and adversely affected if one or more of the Accounts' spot Cryptocurrency counterparties or custodians ceased to provide services to the Accounts for this reason.

The value of Cryptocurrencies depends partially on the growth and acceptance of distributed ledger technology by investors, market participants and regulatory authorities more broadly. This growth and acceptance of distributed ledger technology are subject to a high degree of uncertainty and are affected by numerous factors that are beyond the Accounts' control, including without limitation: (i) worldwide growth in the adoption and use of distributed ledger assets and of distributed ledger technologies, as well as Cryptocurrency security instruments; (ii) government and quasi government regulation of distributed ledger assets and their use, or restrictions on or regulation of access to and operation of distributed ledger networks or similar systems; (iii) governments directly issuing legally recognized Cryptocurrencies, which could undercut the value of decentralized Cryptocurrencies that are not recognized as legal tender; (iv) the continued development and maintenance of open source software protocols underlying distributed ledger assets; (v) changes in consumer demographics and public tastes and preferences; (vi) the availability and popularity of other forms or methods of storing value, buying and selling goods and services or trading assets, including new means of using fiat currencies or existing networks; (vii) general economic conditions and the regulatory environment relating to Cryptocurrencies; and (viii) a decline in the popularity or acceptance of well-known Cryptocurrencies.

Price Volatility of Cryptocurrencies. A principal risk in investing and trading Cryptocurrencies is significant price volatility. The value of a particular Cryptocurrency may depend, in part, on the prices of other distributed ledger assets more generally, including other Cryptocurrencies. Historically, the prices of distributed ledger assets generally have been subject to significant price volatility, which may adversely affect the value of Cryptocurrencies in particular and thus an Account's investments. The price of Cryptocurrencies may be affected generally by a wide variety of complex and difficult to predict factors, including without limitation (i) worldwide growth in the adoption and use of distributed ledger assets and of distributed ledger technologies, as well as Cryptocurrency financial instruments; (ii) supply and demand, which may be influenced by real or perceived scarcity of Cryptocurrencies and the availability and popularity of other forms or methods of storing value, buying and selling goods and services or trading assets, including new means of using fiat currencies or existing networks; payment networks, including governments directly issuing legally recognized Cryptocurrencies, which could undercut the value of decentralized Cryptocurrencies that are not recognized as legal tender; (iii) illiquidity of Cryptocurrency markets and the inability to convert Cryptocurrencies into fiat currencies and associated exchange rates; (iv) changes in the

rights, obligations, incentives or rewards for the various participants in a distributed ledger network, including transaction fees for the recording or storage of transactions on the applicable distributed ledger networks; (v) availability and access to relevant service providers (such as payment processors), exchanges, miners or other Cryptocurrency users and market participants, whether due to technological interruptions in service from or failures of Cryptocurrency exchanges or legislative or regulatory actions; (vi) perceived or actual security vulnerabilities affecting distributed ledger networks or Cryptocurrencies; (vii) the maintenance, development or other changes in the software, software requirements or hardware requirements underlying a distributed ledger network; illegal actions by fraudulent or illegitimate actors in the Cryptocurrency space, including fraud, security breaches or malicious attacks affecting distributed ledger networks, and Cryptocurrency exchanges; (viii) investors' expectations with respect to the rate of inflation and the value of Cryptocurrencies, changes in consumer demographics and public tastes and preferences, and a decline in the popularity or acceptance of Cryptocurrencies; (ix) investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in Cryptocurrencies; (x) opinions expressed, and statements made, by influential market participants via news or social media; (xi) government and quasi government regulation of, and monetary policies related to, Cryptocurrencies and their use, or restrictions on or regulation of access to and operation of distributed ledger networks or similar systems; (xii) negative government action with respect to registration applications for investment vehicles with Cryptocurrency exposure, each of which could decrease institutional and retail investor interest in Cryptocurrencies.

In addition, a portion of Cryptocurrency investment activity is attributable to speculators seeking to profit from short- or long-term price fluctuations. Cryptocurrency pricing may be the result of, and may continue to result in, speculation regarding future appreciation in the value of Cryptocurrencies, inflating and causing their prices to become more volatile and/or creating "bubble"-type risks. The foregoing increases the potential for Cryptocurrency price volatility.

Certain Cryptocurrencies, such as Tether and USD Coin, are pegged to a fiat currency on a 1:1 (or other similar) basis and, in theory, should hold a value consistent with the corresponding fiat currency. Because they generally are designed as substitutes for fiat currencies for use on Cryptocurrency exchanges and similar venues and, for this purpose, are intended to maintain a stable market value over time, these Cryptocurrencies are commonly known as "stablecoins" (or fiat-backed or deposit-backed tokens). Notwithstanding the foregoing, stablecoins are subject to the risk of significant price volatility like all other Cryptocurrencies. Stablecoins' risk of price volatility may arise for various reasons, including but not limited to (i) whether or not the issuer of a given stablecoin provides adequate evidence of its fiat-backing (e.g., through a third-party audit), (ii) the market's perception of such evidence, and (iii) general market characteristics and investors' trading behavior in respect of the stablecoin. In particular, stablecoins could be subject to significant, adverse price events if it is subsequently discovered that a stablecoin has no or inadequate (or poorly-monitored) fiat-backing, or the market perceives this to be the case.

Historically, prices of various Cryptocurrencies have been highly correlated. In addition, activity in a particular Cryptocurrency on one Cryptocurrency exchange or trading venue may have an impact on the overall market of that Cryptocurrency. A crash in one Cryptocurrency or widespread defaults on one Cryptocurrency exchange or trading venue may cause a crash in the price of other Cryptocurrencies, or a series of defaults by counterparties on Cryptocurrency exchanges or trading venues. This is sometimes referred to as "systemic risk" and may adversely affect counterparties and other institutions with which the Accounts interact. A systemic failure could have material adverse consequences on the Accounts.

Price fluctuations in Cryptocurrencies in which the Accounts have investments could result in material, adverse effects on the Accounts.

Valuation and Liquidity of Cryptocurrencies. The Cryptocurrency marketplace may be illiquid or insufficiently liquid for short or long periods of time. Liquidity could be affected by numerous factors, including regulatory developments that restrict the use or transfer of Cryptocurrencies, changes in

market or user interest in a Cryptocurrency, failure of or interruptions and disruptions to Cryptocurrency exchanges for any reason, and other market, political and other conditions. These factors are impossible to predict and are beyond the Adviser's control and could potentially be exacerbated by the particular characteristics of Cryptocurrencies as an asset class. Liquidity issues could also arise because there are a relatively limited number of dealers, spot exchanges and other financial intermediaries with respect to Cryptocurrencies compared to conventional asset classes. The Accounts' options in this regard may be further limited in the Adviser's sole discretion to select financial intermediaries that the Adviser believes present comparatively less credit, fraud or other risks. The foregoing could act to limit the Accounts' options in acquiring and disposing of its investments, particularly in times of stress in the Cryptocurrency market. Cryptocurrencies can be traded through privately negotiated peer-to-peer transactions and through numerous Cryptocurrency exchanges and intermediaries around the world. The lack of centralized pricing sources poses a variety of valuation challenges, because it creates potential pricing discrepancies (which could be substantial), may allow for arbitrage and speculative investment opportunities that may further skew valuation over time and may impair the growth, development and mainstream investor acceptance of Cryptocurrencies overall. In addition, even well-established pricing sources (such as well-regarded spot exchanges) are subject to risks of theft, fraud and failure (as described below). If any such pricing source no longer became usable or trusted by the market, there could be a substantial negative effect on affected Cryptocurrencies. The various limitations on liquidity discussed above could exacerbate the effect of these factors. Negative developments in this area may materially and adversely affect the Accounts' ability to achieve its investment objective.

The Adviser's valuations of Cryptocurrencies will affect an Account's performance reporting, the net asset value at which investors subscribe to, or redeem from, an Account, as well as the calculation of the management fee and the incentive allocation, and as a result, will give rise to certain potential conflicts of interest in connection therewith. From time to time, an Account may face difficulties in determining the value of its Cryptocurrency investments due to price volatility, illiquidity and the fragmentation of such markets. Although the Adviser and an Account will endeavor to implement valuation policies and procedures which address these challenges, the Adviser and the Accounts may not be able to account for all of the possible events and circumstances that may impact their ability to value an Account's Cryptocurrency investments, particularly in light of the potential for governmental and regulatory intervention and the nascent state of the secondary markets. This may, in turn, affect the Adviser's ability to determine the net asset value of an Account.

Custody and Cybersecurity Considerations Applicable to Cryptocurrencies. The Cryptocurrencies underlying an Account's investments may be held by financial institutions, Cryptocurrency exchanges or other trading platforms, as well as Cryptocurrency custodians or other service providers that hold, manage, or otherwise deal in Cryptocurrencies in hardware or software wallets, which may be subject to cyberattacks and other security threats. Cyberattacks may result in security breaches and the theft, loss and destruction of Cryptocurrencies. The Accounts rely on such parties' security systems and processes to ensure the safe storage of an Account's Cryptocurrency investments. These safeguards may be breached due to the actions of outside parties, error or malfeasance of an employee of the Adviser, the applicable service provider, or otherwise, and, as a result, an unauthorized party may obtain access to an Account's assets, the private keys (and therefore the Cryptocurrencies) or other data of the Accounts. Additionally, outside parties may attempt to fraudulently induce the Adviser's employees or those of a service provider to disclose sensitive information in order to gain access to the Adviser's or the relevant service provider's infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until the occurrence of a predetermined event and often are not recognized until launched against a target, each or all of an Account, the Adviser and relevant service provider may be unable to anticipate these techniques or implement adequate preventative measures. The safety of the relevant security measures could be affected by a number of factors, including (but not limited to): (i) existing or new technological threats; (ii) undetected errors, software flaws or vulnerabilities; (iii) security breaches arising from cyber-attacks, computer malware, computer hacking or sabotage; and (iv) fraud, willful default or negligence or other failures on the part of the relevant service provider. These risks may be exacerbated to the

extent the Accounts, an exchange, custodian or other financial intermediary at which the Accounts holds assets becomes well-known to the market or expands in size, in which case the Accounts or such other financial intermediary, as applicable, may become a more appealing target for hackers or other malicious actors. To the extent that the Adviser or a service provider is unable to identify and mitigate or stop new security threats, the Account's Cryptocurrencies may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of the Accounts.

An Account's Cryptocurrency investments could also be compromised by theft or the loss of a private key. The loss or destruction of a private key required to access Cryptocurrencies may be irreversible, potentially resulting in permanent losses. Cryptocurrencies are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the Cryptocurrencies are held. To the extent a private key is lost, destroyed or otherwise compromised, an Account will be unable to access the Cryptocurrency held in the related digital wallet. This loss of access would be permanent if there is no backup of the private key or if the relevant distributed ledger network is unable to restore the private key. The risk of loss due to losses of private keys or similar methodologies of secure access is generally greater for Cryptocurrencies than that of other asset classes given their nature and the variations in the sophistication of access methodologies. An Account's inability to access any portion of its Cryptocurrency assets could result in a material adverse effect on the Accounts.

In addition, the financial institutions, Cryptocurrency exchanges, service providers or other third parties holding an Account's Cryptocurrencies may become insolvent, causing an Account to lose all or a portion of the Cryptocurrencies held by those parties. Unlike bank deposits or securities accounts respectively, Cryptocurrencies held by an Account are not subject to U.S. Federal Deposit Insurance Corporation ("FDIC") or U.S. Securities Investor Protection Corporation ("SIPC") protections. The Accounts are not banking institutions or otherwise members of the FDIC or SIPC and, therefore, deposits held with or assets held by an Account are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. In the event of the permanent loss or theft of any of an Account's Cryptocurrencies, the insolvency of any Cryptocurrency exchanges where an Account's Cryptocurrencies are held or the insolvency of any depository or custodian for such Cryptocurrencies, an Account may be unable to recover all of its funds or the value of its assets so deposited.

The distributed ledger networks underlying Cryptocurrencies are themselves subject to potential cyberattacks. There may be technological defects in the software protocols or cryptography of the distributed ledger networks underlying Cryptocurrencies, which make them potentially vulnerable to cyberattacks. There have been occasions where malicious actors have deployed successful cyberattacks to exploit these defects and steal or misdirect affected Cryptocurrencies or otherwise tamper with the underlying distributed ledger network. These defects could also be deliberately or inadvertently introduced through software protocol changes created by the development team, administrators and/or other influential participants in respect of a distributed ledger network (e.g., through manipulated code).

If a malicious actor or a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers (a "botnet") obtains control of more than 50% of the processing power on a distributed ledger network, such actor or botnet could manipulate the network to adversely affect the associated Cryptocurrency and its users. If a malicious actor or botnet obtains a majority of the processing power dedicated to mining a Cryptocurrency, it may be able to alter the distributed ledger network on which transactions of Cryptocurrency reside and rely by constructing fraudulent blocks or preventing certain transactions from being completed in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though generally it could not generate new units or transactions using such control. The malicious actor could "double-spend" its own Cryptocurrency (i.e., spend the same Cryptocurrency tokens in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that such malicious actor or botnet does not yield its control of the processing power on the network or the Cryptocurrency

community does not reject the fraudulent blocks as malicious, reversing any changes made to the distributed ledger network may not be possible. The foregoing description is not the only means by which the entirety of a network or Cryptocurrency may be compromised, but is only an example. Any such compromise would materially and adversely affect the Accounts' investments in that Cryptocurrency. Although there are no known reports of malicious activity or control of distributed ledger networks achieved through controlling over 50% of the processing power on the network, it is believed that in respect of certain Cryptocurrencies some mining pools may have exceeded the 50% threshold of mining capacity. The possible crossing of the 50% threshold indicates a greater risk of potential malicious control. To the extent that the Cryptocurrency ecosystem, and the administrators of mining pools, do not act to ensure greater decentralization of mining processing power, the feasibility of a malicious actor obtaining control of the processing power will increase risk exposure in this area.

Opaque Market for Cryptocurrencies. At a high level, Cryptocurrency balances are maintained as public addresses on the relevant distributed ledger network, which generally constitutes a public record of all transactions in that Cryptocurrency. However, many Cryptocurrencies allow for "pseudonymity," whereby the identity of Cryptocurrencies holders may be unknown or difficult to identify. In addition, publicly available addresses on a distributed ledger may be used by Cryptocurrency exchanges, custodians or other service providers to hold assets on behalf of multiple beneficial owners. As a result, Cryptocurrency spot markets are more opaque than markets in traditional financial products and thus may be subject to increased risk of fraud, manipulation and other malfeasance. Notwithstanding applicable U.S. and foreign laws, many participants in the Cryptocurrency spot market have taken advantage of this characteristic, engaging in transactions without appropriate customer identification and anti-money laundering policies and procedures. While regulators have begun to take action in this area, these issues persist and give rise to an increased risk of manipulation and fraud in the Cryptocurrency space, including the potential for Ponzi schemes, bucket shops and pump and dump schemes, as well as contribute to the real or perceived risk that Cryptocurrencies are the preferred choice of illicit actors. Furthermore, Cryptocurrency markets are global, and illicit activity on Cryptocurrency exchanges in jurisdictions with less stringent regulations and supervisory and enforcement authorities than in the United States may impact Cryptocurrency prices globally. The foregoing could adversely affect the appeal of Cryptocurrencies to investors, regulators' view of Cryptocurrencies and the growth and development of Cryptocurrencies generally, which, in turn, could adversely affect the Accounts and its investments. The Adviser will select financial intermediaries that it believes have implemented adequate anti-money laundering, know-your-customer and other legal compliance policies and procedures, thus mitigating the Accounts' potential legal risks and risk exposure to fraud and other malfeasance. However, there can be no assurance that the Adviser's efforts will be successful, and these efforts cannot and are not designed to address the opaqueness of Cryptocurrency markets in general.

Cryptocurrency Exchanges, Intermediaries and Custodians. The use of Cryptocurrency exchanges, custodians and other intermediaries involves various risks. Cryptocurrency exchanges do not operate as typical futures or securities exchanges. They combine features of both traditional brokers and exchanges and all transactions executed through such facilities are executed and settled on a principal-to-principal basis. Cryptocurrencies traded on a distributed ledger do not necessarily rely on a regulated intermediary or depository institution. The participation in Cryptocurrency exchanges requires users to take on credit risk by transferring Cryptocurrencies from a personal account to a third party's account. Accordingly, the Accounts are exposed to credit risk with respect to its counterparties in each transaction in Cryptocurrencies, including transactions directly with a counterparty sourced through an exchange as well as transactions directly with such an exchange. The Cryptocurrency exchanges, custodians and other intermediaries are relatively new, often do not have an extensive operating history and are largely unregulated. As an example, neither the National Futures Association nor the CFTC has general regulatory oversight authority over spot virtual currency exchanges or markets. These entities generally are not subject to the same governmental oversight, and may have comparatively less well-developed or robust operational, risk and legal systems and procedures, when compared to market participants that are substantively regulated under either or both the U.S. futures or securities laws (or the equivalent or similar laws of any foreign jurisdiction). In

addition, many of these entities may experience significant outages, disruptions, downtime and transaction processing delays due to cyberattacks, systems or technology failures or other reasons; may experience failure or be forced to cease operations due to theft, fraud, cyberattacks, liquidity or other business issues, regulatory proceedings or other reasons; may be particularly appealing targets from cyberattacks due to their substantial Cryptocurrency holdings; and/or may face substantial financial difficulties, including insolvency or bankruptcy for various reasons. These events have occurred in the past and may occur in the future. There can be no assurance that any such entity will have in place any insurance to mitigate customer losses if any of the foregoing were to occur or that any insurance will be sufficient to fulfill the claims of all affected customers. In the event any that any one of the Accounts' financial intermediaries were subject to one or more of the foregoing adverse events, the Accounts may be unable to recover its assets (whether fiat currency or Cryptocurrency) from the financial intermediary, and the Accounts could suffer substantial losses. While certain of the Cryptocurrency exchanges with which the Accounts may deal may have adopted policies and procedures to mitigate these risks, the Accounts do not have access to sufficient information or the resources to assess the adequacy or effectiveness of those policies and procedures.

Cryptocurrency exchanges often provide different services to varying customer types. They may act in one or more of the following capacities: (i) as venues of exchange, operating the platform on which buyers and sellers trade Cryptocurrencies and fiat currencies; (ii) in a role akin to a traditional broker-dealer, representing traders and executing trades on their behalf; (iii) as proprietary traders, buying and selling Cryptocurrency for their own accounts, often on their own platforms; (iv) as owners of large Cryptocurrency holdings; and/or (v) as issuers of a Cryptocurrency listed on their own and other platforms, with a direct stake in its performance. These differing capacities may raise substantial conflicts of interests. While exchanges for conventional derivatives and equities generally are restricted or heavily regulated in this regard, there are typically no similar restrictions or regulations in respect of Cryptocurrency exchanges. For example, conflicts of interests arise where (a) the owners or investors of a given Cryptocurrency exchange are themselves large holders or traders of Cryptocurrency traded on that exchange, (b) employees of the Cryptocurrency exchange are themselves Cryptocurrency investors/traders on the exchange, and/or (c) where the Cryptocurrency exchange is itself a proprietary trader trading for its own account on its own venue. The foregoing may result in circumstances where an owner, investor, employee and/or the Cryptocurrency exchange itself uses, or could use, non-public, inside information to inform trades—or promotes the adoption of policies, including those relating to trading activity, that are—to the detriment of exchange customers.

Many Cryptocurrency exchanges have not yet undertaken substantive efforts to detect, prevent and/or impede abusive, manipulative, or suspicious trading activity, including, for example, spoofing or other disruptive trading or the use of automated algorithmic or automated “bot” trading that could artificially influence Cryptocurrency prices. While some Cryptocurrency exchanges have taken steps to improve the fairness and integrity of their markets, others have not and, in fact, some have disclaimed responsibility for preventing traders from artificially affecting prices. Abusive or manipulative trading activities could negatively affect the pricing of, or market in, a given Cryptocurrency, which may result in losses to the Accounts and/or adversely affect the Accounts' ability to implement its investment strategy. The foregoing risks generally are exacerbated by the fact that Cryptocurrencies are a new asset class as to which effective real-time market surveillance technology is unsettled and still developing, that there currently is no mechanism for analyzing trading activity across multiple Cryptocurrency exchanges, and that, in comparison to traditional derivatives and equities markets, a relatively small number of major traders and institutions hold substantial concentrations of certain Cryptocurrencies.

In addition, some Cryptocurrency exchanges have developed products, services, features or functionalities that are designed for the benefit of professional, sophisticated traders, including but not limited to (i) high-volume trading fee discounts or similar pricing models, (ii) high-speed, direct market data feed access, and/or (iii) direct access to exchange computers/servers for high-speed trading. The foregoing allows professional traders to leverage data and speed advantages to automatically implement high-speed, high-volume algorithmic trading strategies, which may not only adversely affect the trading performance of non-

professional retail customers, but also artificially influence the pricing of, and market in, a given Cryptocurrency generally and possibly increase the potential for (and effect of) abusive or manipulative trading implemented by automated systems.

Protections for customer funds at Cryptocurrency exchanges may be inadequate or nonexistent. For example, there is no consistent, transparent practice among Cryptocurrency exchanges with respect to the independent auditing of customer Cryptocurrency balances, and some Cryptocurrency exchanges do not claim to conduct any independent auditing at all. Also, as noted above, a Cryptocurrency exchange may not have insurance for customer funds and even if it does, the insurance may be substantially inadequate to cover customer losses. In addition, with rare exceptions, lost or stolen Cryptocurrency is impossible to recover.

Cryptocurrency exchanges vary significantly in their policies and procedures relating to verifying accounts, monitoring for unauthorized access and unauthorized activities, and excluding accounts or customers that violate terms of service, including, but not limited to, limitations on trading activity or prohibitions on abusive or manipulative trading. As an example, while major Cryptocurrency exchanges generally prohibit a single beneficial owner from opening multiple accounts, a given Cryptocurrency exchange may not have the procedures and technological and security practices to effectively identify and prevent multiple account openings. If a Cryptocurrency exchange has not implemented policies and procedures in this regard, or if they are insufficient, the Cryptocurrency exchange may be unable to, among other things, successfully block unauthorized access, identify and prevent abusive or manipulative trading, or generally monitor its platform for fairness and integrity.

In addition to cyberattacks that may result in the loss of Cryptocurrency balances held at Cryptocurrency exchanges, a cyberattack on a Cryptocurrency exchange, or even an inadvertent technological glitch or failure at the Cryptocurrency exchange, may result in the outage, interruption or suspension of trading or other exchange services (including, for example, withdrawals) and/or cause exchange customers to be locked out of their accounts. Cryptocurrency exchanges may impose daily, weekly, monthly, or customer-specific transaction or distribution limits or suspend trading or withdrawals entirely, rendering the exchange of Cryptocurrency for fiat currency difficult or impossible. Cryptocurrency prices and valuations on exchanges have been volatile and subject to influence by many factors, including the levels of liquidity on particular exchanges and operational interruptions and disruptions. In addition, significant volatility and unexpected price movements, as well as congestion on underlying distributed ledger networks, has resulted in extreme stress on Cryptocurrency exchanges and their infrastructure, which has in turn resulted in trading halts and the suspension of services. The foregoing has occurred many times in the past and is likely to continue to be a regular occurrence. Customers, including the Accounts, may suffer losses as a result (e.g., from being unable to close out losing positions during a market downturn). This risk may be exacerbated to the extent that a Cryptocurrency exchange lacks or has inadequate written policies and procedures relating to, among other things, the circumstances in which the exchange will suspend or interrupt trading and/or services, how the exchange will handle pending orders at the time of a suspension, when and how the exchange will notify customers of the foregoing, and whether the exchange will permit withdrawals during a suspension.

Non-U.S. Cryptocurrency exchanges pose additional risks. It is possible that non-U.S. Cryptocurrency exchanges may not be as developed, liquid, or efficient as those in the U.S. U.S. Cryptocurrency exchanges already are subject to minimal U.S. regulation compared to exchanges in traditional derivatives and equities markets, but non-U.S. Cryptocurrency exchanges may be subject to no regulation, or less stringent or different regulation, which could provide less legal protection to exchange customers. The foregoing factors may substantially enhance a non-U.S. Cryptocurrency exchange's susceptibility to the various risk factors set forth herein. Additionally, due to lack of globally consistent treatment and regulation of Cryptocurrencies, certain exchanges located outside the United States may not be currently available to or may in the future become unavailable to certain persons or entities based on their country of domicile, including the United States. An Account may have access to fewer Cryptocurrency exchanges than it

otherwise would have had if it pursued a different investment strategy. To the extent an exchange representing a substantial portion of liquidity for certain Cryptocurrencies or related instruments becomes unavailable to an Account, it may become difficult, or impossible, for an Account to deploy one or more strategies that it otherwise would have deployed, and, as a result, the performance of an Account may be adversely affected. It may be difficult, or even impossible, to sufficiently verify the ultimate ownership and control of a Cryptocurrency exchange and other information for evaluating the risks associated with such counterparty or exchange. In addition, Cryptocurrency, Cryptocurrency-related derivatives and other assets or claims held by the Accounts at Cryptocurrency exchanges domiciled outside of the U.S. may be subject to a different and lower level of protection or no protection at all in the case of a non-U.S. Cryptocurrency exchange's distress, including bankruptcy, insolvency, bank resolution and recovery measures, or similar events.

Certain entities have qualified or been licensed under various state laws as spot Cryptocurrency custodians, typically as limited purpose trust companies. Additionally, the U.S. Office of the Comptroller of the Currency has recently authorized national banks and federal savings associations to provide Cryptocurrency services for customers. Spot Cryptocurrency custodians generally have different policies regarding how they maintain Cryptocurrencies, including the percentage of Cryptocurrencies maintained in "hot" and "cold" wallets (i.e., what percentage of Cryptocurrency holdings are connected to the internet). Spot Cryptocurrency custodians may be subject to many of the same "Risk Factors" applicable to Cryptocurrency exchanges.

The Adviser will seek to utilize qualified third-party custodians for the Accounts' Cryptocurrencies. However, qualified third-party custodians may not be available for all Cryptocurrencies, in which case the Accounts may be required to self-custody some or all of its Cryptocurrencies. There can be no assurance that self-custody will adequately protect the security of such Cryptocurrencies, exposing the Accounts to up to the complete loss of a Cryptocurrency owing to a security breach or other failure of the self-custody procedures.

Regulation of Cryptocurrencies. The regulation of Cryptocurrencies is relatively undeveloped and evolving; existing regulation is subject to change and interpretation and new regulation could be imposed at any time. Regulatory developments in this area are unpredictable and may materially and adversely affect the Accounts. As Cryptocurrencies have grown in popularity and market capitalization, the U.S. Congress has begun to intensely scrutinize this area, as have numerous governmental and self-regulatory authorities, including, among others, the Federal Reserve Board, the SEC, the CFTC, the Financial Crimes Enforcement Network, the IRS, and FINRA. State financial and securities regulators in all 50 states have also taken substantial interest in the crypto-space. Currently, the CFTC deems Cryptocurrencies to be commodities for purposes of the Commodity Exchange Act (and federal district courts have agreed), and certain Cryptocurrencies have been deemed securities by the SEC for purposes of the Securities Act. Regulators in foreign jurisdictions are also highly active in this area. The liquidity of Cryptocurrency markets will be influenced by new laws, regulations, policies and guidance which may vary significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty. Current and future legislation, regulatory rulemaking and other regulatory developments may impact the manner in which Cryptocurrencies are treated for classification and regulatory purposes.

The SEC and its staff have taken the position that certain Cryptocurrencies fall within the definition of a "security" under the U.S. federal securities laws. The legal test for determining whether any given Cryptocurrency is a security is a highly complex, fact-driven analysis that may evolve over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular Cryptocurrency as a security. Furthermore, the SEC's views in this area have evolved over time and it is difficult to predict the direction or timing of any continuing evolution. It is also possible that a change in the governing administration or the appointment of new SEC Commissioners could substantially impact the views of the SEC and its staff. Public statements made by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin and Ethereum are securities (as currently

offered and sold). However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other Cryptocurrency. Currently, with the exception of certain centrally issued Cryptocurrencies that have received "no-action" letters from the SEC staff, Bitcoin and Ethereum are the only Cryptocurrencies which senior officials at the SEC have publicly stated are unlikely to be considered securities. With respect to all other Cryptocurrencies, there is no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions the Adviser may draw based on our risk-based assessment regarding the likelihood that a particular digital asset could be deemed a "security" under applicable laws. The views of international regulators may also influence the SEC's position and potentially increase the likelihood that certain Cryptocurrencies may be deemed securities under U.S. securities law.

If one or more Cryptocurrencies in respect of which an Account has investments were deemed to be securities, the Accounts may be subject to adverse consequences. For example, Cryptocurrency instruments deemed to be securities by the SEC will only be permitted to be resold or transferred in accordance with applicable securities law restrictions and to trade on an exchange or other trading venue that is properly registered with or exempt from registration with the SEC and that is able to accommodate trading in Cryptocurrency security instruments, which currently is a highly limited number. This would potentially severely restrict the ability to trade (and therefore the liquidity) in respect of the affected Cryptocurrency and the Account's holdings therein, materially and adversely affecting their value. These regulatory issues could cause the Adviser, in its sole discretion, to determine to liquidate all or a portion of the investments in respect of a Cryptocurrency deemed to be a security, which may result in sales at unfavorable prices.

Regulatory positions and regulatory actions taken in respect of a Cryptocurrency in which the Account does not invest may adversely impact the demand for, and price of, one or more Cryptocurrencies in which the Account does invest, thereby adversely affecting the value of the Account's Cryptocurrency investments. For example, if a Cryptocurrency in which the Account is not invested is deemed to be a security by the SEC, but certain other Cryptocurrencies are not, prices of Cryptocurrencies generally may nonetheless decline and the value of the Account's investments may decline.

Any of the foregoing risks could materially and adversely affect Cryptocurrencies, participants in the Cryptocurrency markets (including exchanges, custodians, and other service providers) and the distributed ledger networks underlying Cryptocurrencies, *e.g.*, by requiring registration or licensing of participants under one or more statutory schemes at the federal, state or local level, directly regulating the use of Cryptocurrencies or severely restricting or entirely prohibiting the use and/or exchange of Cryptocurrencies. In addition, adverse regulatory developments with respect to Cryptocurrency security investments, even if not applicable to Cryptocurrencies, could have a negative overall effect on crypto-assets and the crypto-economy in general, which could have a flow-through effect on the value of Cryptocurrencies. Future changes in regulation are impossible to predict and may adversely affect the Accounts. If an Account or the Adviser is required to register or become licensed under federal or state laws and regulations applying to persons engaged in Cryptocurrency related businesses (such as money services businesses and money transmitters), each could be subject to substantial additional compliance and cost burdens, which could affect an Account in a material and adverse manner. In addition, if an Account or the Adviser is found to have operated without appropriate federal or state licenses, it may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties. Moreover, by investing in Cryptocurrencies, an Account may be more likely to draw significant attention from regulatory authorities, which could increase the likelihood that the Accounts or the Adviser will become the target of threatened or actual regulatory suits or proceedings.

An Account's interactions with distributed ledger networks could expose an Account to illegal content or otherwise cause an Account or the Adviser to inadvertently violate applicable law. The distributed ledger networks underlying Cryptocurrencies involve the recordation and transmission of substantial amounts of data among countless users and other participants. An Account's interactions with these networks as part of its investments could result in unintentional adverse legal consequences. For

example, an Account is required to comply with the sanctions programs imposed by the U.S. Office of Foreign Assets Control (“OFAC”) and must not conduct business with persons named on its specially designated nationals (“SDN”) list. However, because of the pseudonymous nature of Cryptocurrency transactions, it is possible that an Account could inadvertently without its knowledge engage in transactions involving persons named on OFAC’s SDN list. To the extent governmental authorities literally enforce these and other laws and regulations in respect of distributed ledger technology, the Adviser or an Account may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties.

One or more countries may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use Cryptocurrencies or to exchange them for fiat currency. In some nations, it is illegal to accept payment in Bitcoin and other Cryptocurrency for consumer transactions and banking institutions are barred from accepting deposits of Cryptocurrencies. For example, Cryptocurrency exchange trading platforms and initial coin offerings are illegal in China. Jurisdictions such as Malta and Bermuda have adopted new significant statutory frameworks governing distributed ledger technology, related assets and participants in the distributed ledger ecosystem. While actions by foreign regulators should not directly affect the Account’s and the Adviser’s activities in the U.S., they may have an adverse effect on the targeted Cryptocurrencies generally, which could negatively affect an Account’s Cryptocurrency investments.

Cryptocurrency Risks Related to the Use of Technology. Cryptocurrencies and their underlying distributed ledger networks are subject to the risks of flawed or ineffective source code or cryptography. If the source code or cryptography of the distributed ledger network underlying a Cryptocurrency held by an Account proves to be flawed or ineffective, malicious actors may be able to steal and/or compromise an Account’s Cryptocurrency assets or otherwise harm participants on the affected distributed ledger network. Several errors and defects have been publicly found and corrected, including those that disabled some functionality for users and exposed users’ personal information. In the past, malicious actors have exploited flaws to take or create Cryptocurrency in contravention of known distributed ledger network rules and otherwise tamper with the distributed ledger network. In addition, the cryptography underlying a Cryptocurrency could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming obsolete and ineffective over time and permit a malfeasance by a malicious actor (including stealing Cryptocurrency assets). If one or more Cryptocurrencies in respect of which an Account has investments were affected by any of the foregoing, an Account could experience substantial losses. Even if an Account did not have investments in an affected Cryptocurrency, any reduction in confidence in the source code or cryptography underlying Cryptocurrencies generally could negatively affect the demand for Cryptocurrencies generally and therefore adversely affect an Account.

Cryptocurrencies’ distributed ledger networks are frequently based on open source software, which may result in insufficient incentive for developers to continue maintaining and/or participating in the networks. The open source structure of many Cryptocurrency distributed ledger network protocols means that certain core developers and other open source contributors (“Developers”) may not be directly compensated for their contributions in developing, maintaining and updating the network protocol (*i.e.*, the network protocols are not sold and their development and/or use does not generate revenue). Consequently, Developers may lack a financial incentive to develop or maintain the network and/or may have insufficient resources to adequately address emerging issues with the networks. Cryptocurrencies are not issued or controlled by a central authority, and changes in software protocols that affect a Cryptocurrency’s distributed ledger network can be implemented through various forms of network governance, including acceptance of changes by a predetermined number of miners (*i.e.*, transaction validators) or by user votes. These governance mechanisms may be unclear or poorly implemented, which could lead to ineffective decision-making that slows the development and growth of the network, prevents the network from overcoming critical obstacles or issues or otherwise negatively affects the network, all of which could impair the associated Cryptocurrency’s development and growth. There can be no guarantee that Developer support will continue or be sufficient in the future in respect of any Cryptocurrency. To the extent that material issues arise with certain

Cryptocurrency network protocols and the associated Developers are unable or unwilling to address the issues adequately or in a timely manner, or if the associated Developers are unable or unwilling to properly monitor and upgrade the network protocols, the affected distributed ledger network may be damaged or compromised, become ineffective or lose user and market confidence. Any of the foregoing circumstances could cause a material and adverse effect to the affected Cryptocurrency and the Accounts' Cryptocurrency investments.

Cryptocurrencies' distributed ledger networks are, in some cases, maintained by Developers that may have conflicts of interests. Some Developers for certain Cryptocurrency distributed ledger network protocols may be funded by companies whose interests may conflict with those of other participants and users in the network. There can be no guarantee that any Developer in respect of a Cryptocurrency will act in the best interest of any particular user, participant, or group of users or participants.

Many Cryptocurrency distributed ledger networks face significant scaling challenges. If a Cryptocurrency is unable to overcome its obstacles to scale, the affected Cryptocurrency may be unable to handle increased transaction volume over time, may suffer slower transaction settlement times, or may be subject to other material, adverse effects. If any of the foregoing were to occur, the affected Cryptocurrency's market acceptance, confidence and value (and an Account's investments with respect to such Cryptocurrency) may be materially and adversely affected. There is no guarantee that any Cryptocurrency will be able to overcome its obstacles to scale.

Cryptocurrencies and their underlying distributed ledger networks are dependent on internet connectivity to function (*i.e.*, to send and receive transactions among users and to validate transactions on their distributed ledger networks). A significant disruption in internet connectivity could interrupt the network operations of a Cryptocurrency and may have a material and adverse effect to its price (and an Account's investments in respect thereof).

Cryptocurrencies may be subject to "forking," which could result in adverse effects. If a significant majority of users and miners on a Cryptocurrency's distributed ledger network install software that changes the Cryptocurrency network or properties of a Cryptocurrency, including the irreversibility of transactions and limitations on the mining of new Cryptocurrency, the Cryptocurrency network would be subject to new protocols and software. However, if less than a significant majority of users and miners on the Cryptocurrency network consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" of the network, with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Cryptocurrency running in parallel yet lacking interchangeability. Additionally, it may be unclear following a fork which fork represents the original Cryptocurrency and which is the new Cryptocurrency. Different metrics adopted by industry participants to determine which is the original asset include: (i) desires of the Developers of a Cryptocurrency, (ii) the distributed ledger network with the greatest amount of hashing power contributed by miners or validators, or (iii) the distributed ledger with the longest chain. A fork could adversely affect an Account's investments in respect of both the new and original Cryptocurrencies.

In addition to forks, a Cryptocurrency may become the subject of an "airdrop." In an airdrop, the promoters of a new Cryptocurrency distribute such Cryptocurrency to numerous holders of other Cryptocurrencies, generally at no monetary cost, based on the fact that they hold such other Cryptocurrencies, or in exchange for certain promotional or other services. Cryptocurrencies received through forks, airdrops and other similar events are referred to herein as "Incidental Assets."

An Account may not receive the benefits of any forks, and an Account may not choose, or be able, to participate in an airdrop, and the timing of receiving any benefits from a fork, airdrop or similar event is uncertain. There are likely to be legal, tax, regulatory, operational and other considerations that limit or prevent an Account from realizing a benefit from any Incidental Assets. The Adviser may determine that

there is no safe or practical way to custody an Incidental Asset, that doing so may pose an unacceptable risk to an Account, or that the costs of holding an Incidental Asset exceed the benefits of holding such Incidental Asset. Moreover, it may be illegal to sell or otherwise dispose of an Incidental Asset, or there may not be a suitable market into which an Incidental Asset can be sold (immediately after the fork or airdrop, or ever). An Account may also determine that an Incidental Asset is, or is likely to be deemed, a “security” under U.S. federal or state securities laws. As such, the Investment Manager may determine to dispose of an Incidental Asset without realizing any economic benefit from such asset. There can be no assurance as to the price or prices for any Incidental Asset, and the value of an Incidental Asset may increase or decrease after any sale by an Account. In addition, the Adviser may determine to irrevocably abandon an Incidental Asset if the Adviser believes that holding such Incidental Asset would have an adverse effect on an Account and it would not be practicable or possible to dispose of the Incidental Asset in a manner that would result in an Account receiving more than insignificant consideration. In the case of abandonment of an Incidental Asset, an Account would not receive any direct or indirect consideration for the Incidental Asset. The Adviser intends to evaluate each fork, airdrop or similar occurrence on a case-by-case basis to determine whether to abandon or otherwise dispose of the relevant Incidental Asset.

Cryptocurrency transactions generally are irreversible, which may enhance the potential for loss. Just as a Cryptocurrency’s distributed ledger creates a permanent, public record of Cryptocurrency transactions, it also creates an irrevocable one. Thus, even if the transaction turns out to have been in error (e.g., if Cryptocurrency is erroneously sent to the wrong destination) or due to theft of a user’s Cryptocurrency, the transaction is not reversible. An Account therefore may be unable to replace or to seek reimbursement for Cryptocurrency that is missing, lost or misdirected for any reason, which could materially adversely affect the Accounts.

Intellectual property rights claims may adversely affect Cryptocurrencies. The distributed ledger networks underlying Cryptocurrencies are often based on open-source software. Nonetheless, certain third parties could bring intellectual property rights claims in respect of certain of the protocols or code underlying a particular Cryptocurrency’s distributed ledger network. Regardless of the merit of any such claim, any threatened action that reduces confidence in long-term legal viability of such protocols or code may materially and adversely affect the associated Cryptocurrency. If any intellectual property claim were successful, it is possible that users could potentially be prevented from accessing, holding or transferring Cryptocurrency using such protocols or code. Any of the foregoing circumstances may cause a substantial and adverse effect on the price of the affected Cryptocurrency and an Account’s Cryptocurrency investments.

Risks Related to Smart Contracts. Smart contracts are programs that run on certain distributed ledger networks, such as the Ethereum network and others, that execute automatically when certain conditions are met. Since smart contracts typically cannot be stopped or reversed, vulnerabilities in their programming can have damaging effects. For example, in June 2016, a vulnerability in the smart contracts underlying “The DAO,” a distributed autonomous organization for venture capital funding, allowed an attack by a hacker to syphon approximately \$60 million worth of Ethereum from The DAO’s Ethereum wallets into a segregated account. In the aftermath of the theft, certain developers and core contributors pursued a “hard fork” of the Ethereum Network in order to erase any record of the theft. Despite these efforts, the price of Ethereum dropped approximately 35% in the aftermath of the attack and subsequent hard fork. In addition, in July 2017, a vulnerability in a smart contract for a multi-signature wallet software developed by Parity led to a \$30 million theft of Ethereum, and in November 2017, a new vulnerability in Parity’s wallet software led to roughly \$160 million worth of Ethereum being indefinitely frozen in an account.

Smart contracts are integral to many decentralized finance activities, and therefore such decentralized finance activities are subject to risks related to errors, bugs or other vulnerabilities and problems with the development and deployment of smart contracts. See “*Decentralized Finance (“DeFi”) Risks*” below. For example, in August 2020, Yam Finance, a decentralized finance application that allowed users to stake

various Cryptocurrencies in exchange for YAM tokens announced that the protocol had a critical bug. Following the announcement, the value of YAM dropped to zero.

Accordingly, errors or problems with any smart contracts which underpin any particular Cryptocurrencies or are related to any of the Accounts' activities could adversely affect the value of the Cryptocurrencies.

The complexity and interconnectedness of distributed ledger networks, applications, and economic systems enables new forms of malicious attacks that leverage a feature or vulnerability of one system to attack another. Such an attack may take the form of a temporary manipulation of the price of certain Cryptocurrencies that trigger second order behaviors, such as automatic collateral liquidations on decentralized applications or Cryptocurrency exchanges. Such an attack could adversely affect an Account. A malicious actor can exploit the structure of one or a series of smart contracts or applications in ways that do not technically constitute exploitation of a "bug" or flaw in the smart contract or application. For example, such an exploit has occurred repeatedly in the Ethereum DeFi ecosystem, whereby a decentralized exchange or lending application is designed to reference an external pricing source of a particular Cryptocurrency to determine when to liquidate collateral. By manipulating the price of the particular Cryptocurrency on a third-party platform (such as a Cryptocurrency exchange), the pricing source used by the decentralized exchange or application is consequently manipulated, which then leads to uneconomic collateral liquidations on the decentralized exchange or application. Such liquidations may be processed automatically by decentralized software and could have a material adverse effect on an Account and an investment in an Account.

While alternative distributed ledger networks with smart contract functionality designed for DeFi applications are currently in development and may gain in popularity, the vast majority of DeFi protocols operate on the Ethereum network. There are currently over 100 DeFi applications on Ethereum, ranging from decentralized exchanges and lending protocols to derivatives trading platforms and yield-generating liquidity pools. However, the Ethereum network has in the past experienced performance problems processing high numbers of transactions, and may continue to have such problems in the future, especially in light of the increase in usage of Ethereum-based DeFi applications. As a result, transaction costs – known on the Ethereum network as "gas" fees – and transaction processing times have increased substantially on the Ethereum network, reaching the highest since 2018. This means that an Account's investments and absolute returns on its Cryptocurrencies can be diminished due to the high gas fees that need to be paid to move Cryptocurrencies in and out of DeFi protocols. In addition, network delays may mean that Cryptocurrency transactions are not executed at the intended time or price. While the Ethereum developer community is working to address these issues with future network upgrades, there is no guarantee that any network upgrades will ensure that Ethereum can handle a higher number of transactions or that gas fees will be reduced.

Decentralized Finance ("DeFi") Risks. Decentralized Finance, or DeFi, refers to a variety of distributed ledger-based applications or protocols that provide for peer-to-peer financial services using smart contracts and other technology rather than such services being offered by central intermediaries. Because DeFi applications and protocols generally rely on the same types of underlying technologies as Cryptocurrencies, most risks applicable to Cryptocurrencies (including phishing, hacking, and technology risks) are also applicable to DeFi protocols and hence any investment by an Account into DeFi protocols and related Cryptocurrencies will be subject to general Cryptocurrency risks as described elsewhere.

Common DeFi applications include borrowing/lending Cryptocurrencies, and providing liquidity or market making in Cryptocurrencies. Because DeFi applications rely on smart contracts, any errors, bugs, or vulnerabilities in smart contracts used in connection with DeFi activities may adversely affect such activities. DeFi lending is subject to counterparty risk and credit risk, but because lending is automated through the DeFi protocol, rather than an Account's individual decisions, such risks may be exacerbated, particularly if there are flaws in a DeFi protocol's code or operation.

In parallel with the wider Cryptocurrency sector, DeFi applications and protocols are subject to an uncertain regulatory environment. In part due to its early stage nature, DeFi is subjected to intense scrutiny from financial regulators and governments, who, for the most part, find the complexities in the technology and the idea of a lack of identifiable regulated intermediaries, extremely challenging. Accordingly, the use of DeFi applications may be subject to more risks than engaging in similar activities through regulated financial intermediaries. In addition, in certain decentralized protocols, it may be difficult or impossible to verify the identity of a transaction counterparty necessary to comply with any applicable anti-money laundering, countering the financing of terrorism, or sanctions regulations or controls. As DeFi applications and protocols become more popular and gain adoption, the response of regulators to DeFi products will become an increasing risk.

Transaction Fees Awarded to Validators. Insufficient transaction fees may affect Cryptocurrencies and their underlying distributed ledger networks. Many Cryptocurrencies are created through a validation process wherein participants on the network (collectively, “validators”) may add a block to the Cryptocurrency’s distributed ledger and thereby confirm the transactions included in that block’s data. Validators that are successful in adding a block are automatically awarded a transaction fee or other reward for their efforts. These transaction fees may not be properly matched to the validators’ effort for various reasons, including, for example, where transaction fees decrease in size over time and/or where the value of fees awarded in the associated Cryptocurrency declines as a result of decreased use and demand in such Cryptocurrency. If this were to occur, validators may not have an adequate incentive to continue validating transactions on a given distributed ledger network. If any validators cease operations, there could be substantial delays in the recording of transactions on the affected distributed ledger network. Validators ceasing operations could also reduce the collective processing power on such network, increasing the likelihood of a malicious actor or botnet obtaining control and potentially undermining the validation process for transactions in the associated Cryptocurrency. The foregoing could reduce user confidence in the affected distributed ledger network, which could materially and adversely affect the value of the associated Cryptocurrency and an Account’s Cryptocurrency investments.

Transaction fees in respect of a Cryptocurrency’s distributed ledger network may increase over time for various reasons (e.g., validators may require higher transaction fees in exchange for recording transactions or existing or modified software protocols underlying the network may automatically increase transaction fees over time). Increases in transaction fees on a distributed ledger network could potentially decrease demand for the associated Cryptocurrency, cause the marketplace (including retail merchants and commercial businesses) to become reluctant to accept such Cryptocurrency, and/or motivate users to switch to another Cryptocurrency or to fiat currency altogether. Any of the foregoing could result in substantial decreases or volatility in the affected Cryptocurrency, materially and adversely affecting an Account’s Cryptocurrency investments.

Cryptocurrency Derivatives. As noted above, an Account may gain exposure to Cryptocurrencies through a variety of derivative instruments (including, but not limited to, futures, options and swaps). Any such investments would subject an Account to the same potential risks related to investments in derivative instruments described in “*Derivative Instruments in General*,” which risks are likely to be exacerbated by the unique liquidity and other features of Cryptocurrencies.

To date, U.S. licensed derivative exchanges generally do not permit as much leverage (if any at all) for Cryptocurrencies derivatives compared to traditional futures and swaps. In addition, the futures commission merchants (“FCMs”) through which the Accounts will access futures contracts may impose margin requirements above those of the exchange, and any short selling transactions in futures and options as well as swaps by an Account may require the Account to post collateral in an amount equal to the full value of the Cryptocurrency that is sold short. It is possible that, in the future, current and new futures as well as options and swaps on Cryptocurrencies may have lower margin or collateral requirements, which would increase the inherent leverage of such products and the leverage of an Account. Although the use of leverage

can substantially improve the return on invested capital, its use also may increase any adverse impact to which the investment portfolio of an Account may be subject.

Designated Contract Markets (“DCMs”) or FCMs may impose other requirements or limitations on futures trading, including without limitation requiring additional margin for specific contracts, prohibiting naked shorting or prohibiting give-in transactions. These requirements or limitations may be more onerous with respect to Cryptocurrency futures trading and could impair an Account’s trading activities. On the other hand, swaps involving Cryptocurrencies currently are not subject to mandatory clearing or mandatory execution on a Swap Execution Facility or a DCM.

Digital Currency. The Funds may invest in companies that develop, operate or maintain infrastructures for digital currency networks or that operate in or around the digital currency networks or in investment vehicles that invest in such digital currencies or companies (“Digital Currency Investments”). Digital currency networks are vulnerable to hacking and malware and many digital currency exchanges have been closed due to fraud, failure or security breaches. In such event, the Fund’s Digital Currency Investments may be adversely affected. Digital currencies generally represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital currencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. A significant portion of the demand for digital currencies is generated by speculators and investors seeking to profit from the short or long-term holding of digital currencies. The prices of digital currencies are subject to rapid and extreme fluctuations. A lack of expansion by digital currencies into retail and commercial markets, or a contraction of such use, may result in increased volatility, which may adversely affect the Fund’s Digital Currency Investments. In addition, as digital currencies have grown in popularity, certain U.S. and non-U.S. regulatory agencies have begun to examine digital currencies and the operations of their networks. To the extent that digital currencies are determined to be a security, commodity future or other regulated asset, to the extent that a U.S. or non-U.S. government or quasi-governmental agency exerts regulatory authority over the digital currencies, or if it becomes illegal, now or in the future, to own, hold, sell or use digital currencies in one or more countries, including the United States, the Fund’s Digital Currency Investments may be adversely affected. Furthermore, the taxation of digital currencies is uncertain in many jurisdictions and continuously evolving in others. Certain companies have started using “coin offerings” to raise capital in lieu of traditional equity financings. To the extent that more companies adopt this approach, the Fund may not have access to what otherwise might have been attractive traditional venture capital investment opportunities, and the amount that the Fund might otherwise have invested in Digital Currency Investments may increase as a result.

Effects of Speculative Position Limits. The CFTC and various exchanges impose limits on the maximum net long or net short (or, for some commodities, gross) positions that any person or groups of persons may own, hold or control in particular futures or options on such futures contracts and such rules generally require aggregation of the positions owned, held or controlled by related entities. The Dodd-Frank Act significantly expands the CFTC’s authority to impose position limits with respect to futures contracts. The CFTC recently adopted position limit rules that, once effective, will apply to futures contracts on 25 agricultural, energy and metal commodities, along with certain linked futures and options on futures contracts, as well as economically equivalent swaps. These rules may adversely impact the Accounts. The CFTC has also adopted rules and rule amendments that add certain exemptions from aggregation (some aspects of which are currently subject to CFTC staff no-action relief), but which incorporate aggregation criteria which are more restrictive in some respects than prior rules and which may hinder the Investment Manager’s ability to trade certain contracts or may result in an Account limiting its investments. In addition, the Dodd-Frank Act requires the SEC to set position limits on security-based swaps. The Adviser could be required to liquidate positions held for each Account, or may not be able to fully implement trading strategies, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to each Account.

Cannabis Investing. An Account may invest in companies that are involved in the cannabis industry, including, without limitation, in the production, distribution and sales processes.

Production, distribution, sale and use of cannabis is regulated by both the U.S. federal government and state governments, and state and federal laws regarding cannabis often conflict. Although the medical use of cannabis is legal in more than half of the states, as well as the District of Columbia, and recreational use of cannabis is legal in an increasing number of states and the District of Columbia, the possession and use of cannabis remains illegal under U.S. federal law, which pre-empts state laws that legalize its use for medicinal and recreational purposes.

In addition, companies in which the Accounts invest may be organized and listed in Canada or other countries where cannabis is legal and cannabis companies are able to list their shares on national securities exchanges. However, these companies may engage in the cultivation or production of cannabis outside of such jurisdictions, including in the United States. Furthermore, while cannabis is currently legal in Canada, the legal framework is fairly new and untested, varies across Canada's provinces and territories, and thus creates an uncertain regulatory and market environment, different competitive pressures and significant additional compliance and other costs for such cannabis companies in such markets. Additionally, the existence of a black market and lack of a futures market for cannabis products in Canada creates potential uncertainty in price discovery.

Moreover, there can be no assurance that U.S. or Canadian federal, provincial, territorial or state laws regulating cannabis will not be repealed or overturned, that proposed laws regulating cannabis will be passed, or that governmental authorities will not limit the application of such laws within their respective jurisdictions. If governmental authorities change the manner in which cannabis laws are enforced in jurisdictions where an Account invests, or if existing laws are repealed or new laws are passed, the Account's investments may be materially and adversely affected.

Companies involved in the cannabis industry may have substantial burdens on company resources due to litigation, complaints or enforcement actions. For example, financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under certain money laundering statutes, unlicensed money transmitter statutes and the U.S. Bank Secrecy Act of 1970, as amended. Additionally, cannabis companies may also have limited access to the services of banks. Since the cultivation, possession, and distribution of cannabis can be illegal under U.S. federal law under certain circumstances, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of cannabis. Moreover, the marketability of any product may be affected by numerous factors that are beyond the control of a company and which cannot be predicted, such as changes to government regulations and taxes, any of which could materially and adversely impact the companies in which an Account invests and in-turn the Account's returns.

The cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. Cannabis companies are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. Cannabis is a Schedule I controlled substance under the United States Controlled Substances Act, meaning that under U.S. federal law, cannabis may not be prescribed, marketed or sold in the United States. Facilities conducting research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the United States Drug Enforcement Administration to prevent drug loss and diversion. Cannabis companies may incur ongoing costs and obligations related to licensure and regulatory compliance. Failure to comply with such obligations may result in additional costs for corrective measures, significant penalties or in restrictions of operations. In addition, changes to regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which

could have a material adverse effect on the business, results of operations and financial condition of such companies and, therefore, on an Account's prospective returns.

Turnover. A substantial portion of the Accounts' capital may be invested on the basis of short-term market considerations. The portfolio turnover rate of those investments may be significant, potentially involving substantial brokerage commissions and fees. These commissions and fees will reduce the Accounts' net profits.

Concentration Risk; Non-Diversified Investment Program. Each Account is not subject to any hard limits regarding diversification of investments to reduce its risk of loss. Each Account may at certain times hold large positions in a relatively limited number of investments. Each Account could be subject to significant losses if it holds a relatively large position in a single issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Each Account's investments could potentially be concentrated (and not hedged) in relatively few strategies, issuers, industries or markets.

Market Risks and Lack of Liquidity. The success of each Account's investment program depends to a great extent upon the ability of the Investment Manager to assess correctly the future course of price movements of stocks, bonds, and foreign currencies. There can be no assurance that the Investment Manager will accurately predict such movements. In addition, certain of the securities in which each Account's capital is invested, from time to time, have limited liquidity. During periods of stress in the markets, prices for securities with less liquidity typically suffer significantly more than more liquid, exchange-traded equities. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the market value of Account investments from time to time.

Volatility Risk. Each Account's investment program may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by each Account. In addition, many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for each Account's investments.

Governmental Intervention. Pervasive and fundamental disruptions undergone by global financial markets may lead to extensive and unprecedented governmental intervention, including conservatorship and the suspensions of short selling with respect to certain companies. Such intervention may be 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, some of these interventions may be unclear in scope and application, resulting in market uncertainty that may negatively affect the efficient functioning of the markets, as well as previously successful investment strategies. It is impossible to predict whether and when such governmental intervention may occur and any such governmental intervention may affect the success of each Account's investment strategy and may cause each Account to sustain significant loss.

Certain legislation proposing greater regulation or taxation of the hedge fund industry periodically is considered by Congress, as well as the governing bodies in non-U.S. jurisdictions. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on each Account's strategies. Any such regulation could also require increased transparency as to the identity of the investors.

Trading on Foreign Exchanges. Each Account may trade on exchanges located outside the United States. Trading on such exchanges is not regulated by the SEC and may, therefore, be subject to more

risks than trading on domestic exchanges such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events.

Loans of Portfolio Securities. Each Account may lend its portfolio securities. By doing so, such Account attempts to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, such Account could experience delays in recovering the loaned securities. To the extent that the value of the securities an Account lent has increased, such Account could experience a loss if such securities are not recovered.

Reliance on Third Parties. The Adviser will rely on third parties to provide it with different types of data, including real time, raw, and calculated, data via the Internet. Each Account could be adversely affected if its or its data providers' computer systems or infrastructure cannot properly process and calculate the information needed for the Investment Manager to conduct its trading strategies or if such information provided is incorrect or incomplete.

Investment Analysis. When assessing investment opportunities, the Investment Manager relies on resources that may have limited or incomplete information. In particular, the Investment Manager relies on publicly available information, data filed with various government regulators and non-public information subject to certain confidentiality obligations. Although the Investment Manager expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, the Investment Manager will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by the Investment Manager will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in an Account.

Non-Recourse Obligations. An Account may invest in certain securities that are non-recourse obligations of issuers. Such securities are payable solely from proceeds collected in respect of collateral pledged by an issuer to secure such obligations. None of the security holders, officers, directors or incorporators of the issuers, trustees, any of their respective affiliates or any other person or entity will be obligated to make payments on the securities. Consequently, an Account, as holder of the obligations, must rely solely on distributions of proceeds of collateral debt obligations and other collateral pledged to secure obligations for payments due in respect of principal thereof and interest thereon. If distributions of such proceeds are insufficient to make payments on the securities, no other assets will be available for such payments and following liquidation of all the collateral, the obligations of the issuers to make such payments will be extinguished.

Debtor Risks. A fundamental risk associated with an Account's investment activities is that the portfolio companies in whose debt an Account invests in will be unable to make principal and interest payments when due or at all. Portfolio companies in which an Account invests could deteriorate as a result of an adverse development in their business, a change in the competitive environment, an economic downturn or legal, tax, accounting or regulatory changes, among other factors. As a result, portfolio companies which an Account expected to be stable may experience financial or business difficulties, including operating at a loss or having significant variations in operating results or requiring substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

The portfolio companies in which an Account invests may be highly leveraged, and there is no restriction on the amount of debt a borrower can incur. Such indebtedness may add additional risk with

respect to such portfolio company, and could (i) limit its ability to borrow money for its working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; (ii) require it to dedicate a substantial portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing funds available to it for other purposes; (iii) make it more highly leveraged than some of its competitors, which may place it at a competitive disadvantage; and/or (iv) subject it to restrictive financial and operating covenants, which may preclude it from favorable business activities or the financing of future operations or other capital needs. In some cases, proceeds of debt incurred by a portfolio company could be paid as a dividend to stockholders rather than retained by the portfolio company for its working capital. Leveraged companies are often more sensitive to declines in revenues, increases in expenses, and adverse business, political, or financial developments or economic factors, such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such companies or their industries. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

If a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, it may be forced to take other actions to satisfy its obligations under its indebtedness. These alternative measures may include reducing or delaying capital expenditures, selling assets, seeking additional capital, or restructuring or refinancing indebtedness. Any of these actions could significantly reduce the value of an Account's investment in such portfolio company. If such strategies are not successful and do not permit a portfolio company to meet its scheduled debt service obligations, such portfolio companies may be forced into liquidation, dissolution or insolvency, and the value of an Account's investment in such portfolio company could be significantly reduced or even eliminated.

Moreover, companies in which an Account invests may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

Limited Amortization Requirements. An Account may invest in loans (including CLO securities) that have limited mandatory amortization requirements. While such a loan may obligate a portfolio company to repay the loan out of asset sale proceeds or with annual excess cash flow, such requirements may be subject to substantial limitations and/or "baskets" that would allow a portfolio company to retain such proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that a portfolio company will not be able to repay or refinance the loans held by an Account when they come due at their final stated maturity.

Special Purpose Acquisition Companies. Special purpose acquisition companies, commonly referred to as "SPACs", are publicly traded companies formed for the purpose of raising capital through initial public offerings to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired, and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC

on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, interests in most SPACs are relatively illiquid and have a concentrated shareholder base that tends to be comprised of institutional investors, including hedge funds (at least at inception). Certain Accounts may, and often do, invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In addition, Accounts may invest capital in vehicles acting as the sponsors of SPACs in exchange for interest in the SPAC that will only have value to the extent that a transaction is consummated by the SPAC and the Account continues to hold interests in the SPAC thereafter. There may be limited basis for an Account to evaluate the possible merits or risks of such SPAC's investment in any particular target business or the track record of its management team. To the extent that a SPAC completes a business acquisition, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Initial Public Offerings. Investments in initial public offerings (or companies who expect to file for an initial public offering) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the shares or interests.

Fraud. In making certain investments, the Investment Manager often relies upon the accuracy and completeness of representations made by the issuer of such investment, but cannot guarantee the accuracy or completeness of such representations. Of concern in purchasing investments is the possibility of material misrepresentation or omission on the part of an issuer. Such inaccuracy or incompleteness may adversely affect the valuation of any investment. Instances of fraud and other deceptive practices committed by senior management of certain companies in which each Account may invest may undermine the ability of the Investment Manager to conduct effective due diligence on, or successfully exit investments made in, such companies and may result in each Account incurring losses. In addition, financial fraud may contribute to overall market volatility, which can negatively impact each Account's investment program. Under certain circumstances, payments to each Account may be reclaimed if they are later determined to have been made with an intent to defraud creditors or make a preferential payment.

Exposure to Material Non-Public and Other Restricting Information. Because of its responsibilities in connection with investment-related activities, the Investment Manager will acquire confidential information and/or material non-public information (or certain other information) with respect to an issuer of publicly-traded securities or other securities, or may otherwise be restricted (or determine to be restricted) from initiating transactions in certain potential investment opportunities and may enter into confidentiality or "stand-still agreements" with respect to certain investment opportunities. In addition, during the course of the research process, the Investment Manager may share and receive information from other market participants, which could increase the likelihood that the Investment Manager will receive material nonpublic information and be required to restrict trading in certain issuers. In such circumstances, the Investment Manager may restrict the Accounts, or the Accounts may be prohibited, by law, policy or contract, for a period of time from (i) selling all or a portion of a position in such issuer; (ii) establishing an initial position or taking any greater position in such issuer; and (iii) pursuing other investment opportunities related to such issuer. If these restrictions or prohibitions apply to issuers in which the Accounts invest, such restrictions or limitations could prevent the Accounts from accessing a profitable investment opportunity or give rise to substantial investment losses, which losses, in the case of an issuer in which an Account has a short position, are theoretically unlimited.

Engaged Investor. From time to time, each Account may pursue an active role in effectuating corporate, managerial or similar change with respect to an investment.

The costs in time, resources and capital involved in such investments depend on the circumstances, which are only in part within the Investment Manager's control, and may be significant, particularly if litigation against each Account and/or the Investment Manager ensues or if the Accounts and/or the Investment Manager commence(s) litigation in furtherance of the Accounts' investment strategy. The expenses associated with such investment strategy, including potential litigation or other transactional costs, such as the costs associated with proxy contests, SEC (or similar regulatory authority) filings, audits and inquiries, and the costs (including incentive compensation (which may amount to significant sums upon the occurrence of certain events) and potential indemnification costs) of having certain individuals be the nominees for or serve on the boards of directors of the "portfolio companies," at the Accounts' request, in which the Accounts invests, will be borne by each such Account.

The success of each Account's engaged investment strategy with respect to any specific investment may require, among other things: (i) that the Investment Manager properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that each Account acquire sufficient shares of the securities of such portfolio companies at a sufficiently attractive price; (iii) a positive response by the management of portfolio companies to shareholder engagement; (iv) a positive response by other shareholders to shareholder engagement and each Account's proposals (such shareholders may include types of shareholders believed by some to not be inclined to support any side in corporate governance disputes); and (v) a positive response by the markets to any actions taken by "portfolio companies" in response to shareholder engagement. No assurances are given that any of the foregoing will succeed.

An Account, either alone or together with others Accounts, may secure the appointment of persons to a portfolio company's board of directors, creditor committees or similar body. It is the policy of the Investment Manager that any cash or other compensation paid, or benefits accrued, in either case, to the Investment Manager's employees (net of any taxes owed by the employee) for their service to a portfolio company's management team, board of directors, creditor committees or similar body are treated as an offset against the Management Fee (with such compensation allocated among the Accounts in such proportion as the Investment Manager deems fair and equitable to reflect their respective interests in the portfolio company), and any such compensation that is in excess of the Management Fee will be donated to a charity selected by the Investment Manager. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees) serving on the board of directors of a portfolio company at an Account's request may acquire fiduciary duties to such portfolio company and to such portfolio company's shareholders, members, unitholders, partners or other owners or other stakeholders of such portfolio company, in addition to the duties it owes an Account. Such fiduciary duties may require such individuals to take actions that are in the best interests of a portfolio company or the shareholders, members, unitholders, partners or other owners of such portfolio company. Accordingly, situations may arise where members, partners, officers, managers, employees or affiliates of the General Partner, the Investment Manager and their respective affiliates or designees may have conflicts of interest between any duties that they owe to a portfolio company and the shareholders, members, unitholders, partners or other owners or other stakeholders of such portfolio company, on the one hand, and any duties that they owe to an Account, on the other hand.

It should also be noted that any individual serving on the board of directors of a "portfolio company" at each Account's request will have fiduciary duties to all shareholders of such company, which at times may not be consistent with the short-term needs of the Accounts.

Corporate governance strategies may prove ineffective for a variety of reasons, including: (i) opposition of the management or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies;

(iii) efforts by the subject company to pursue a “defensive” strategy; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms such as staggered boards, poison pills and classes of stock with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of a proposed corporate governance change may seek to involve regulatory agencies in investigating the transaction or each Account and such regulatory agencies may independently investigate the participants in a transaction, including each Account and/or the Investment Manager, as to compliance with securities or other law. Furthermore, successful execution of a corporate governance strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of each Account and some of those parties may be indifferent to the proposed changes. Additionally, due to the proliferation of exchange traded funds, there may be a greater proportion of outstanding shares of a target issuer that will not participate in voting on shareholder matters relating to the target issuer, which may make it more difficult for the Investment Manager to obtain the necessary shareholder approvals to implement its strategy. Moreover, securities that the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates, even if a corporate governance strategy is successfully implemented. Even if the prices for a portfolio company’s securities have increased, no guarantee can be made that there will be sufficient liquidity in the markets to allow each Account to dispose of all or any of its securities therein or to realize any increase in the price of such securities.

In addition, as a result of an Account’s engaged strategy (including, without limitation, in circumstances where an individual, at such Account’s request, is appointed to a board of directors), the Accounts may become privy to information (including material non-public information), which may subject each Account to trading restrictions (including prohibiting each Account from trading in certain securities or only permitting each Account to trade in certain securities during certain periods) pursuant to the internal trading policies of the Investment Manager or applicable law or regulations. Such restrictions on the purchasing or selling of securities may have an adverse effect on each Account.

Section 16 and Hart-Scott-Rodino Obligations. In connection with any acquisition of beneficial ownership by the Accounts of more than 5% of any class of the equity securities of a company registered under the Exchange Act, each Account may be required to make certain filings with the SEC. Generally, these filings require disclosure of the identity and background of the purchasers, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser’s interest in the securities and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, an Account may be required to aggregate certain investments in a given company with the beneficial ownership of that company’s securities held by or on behalf of the Investment Manager and its affiliates, which could require an Account, together with such other parties, to make certain disclosure filings or otherwise restrict an Account’s activities with respect to such company’s securities. If an Account, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a public company or places a director on the board of directors of such a company, such Account may be subject to certain additional reporting requirements, to liability for short-selling profits under Section 16 of the Exchange Act and to certain restrictions on its ability to hedge its exposure to such issuer. In addition, each Account may be required to make filings under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended, the “HSR Act”) with respect to its ownership of certain voting securities, and possibly be subject to certain fees, penalties or sanctions, if it fails to do so. Each Account and the Investment Manager are currently subject to a Federal Trade Commission consent order which prohibits them from relying on the investment-only exemption under the HSR Act in certain circumstances. A copy of such consent order is available to any investor upon request.

Minority Investments. While, as described above, an Account may pursue an active role with respect to certain investments, it is expected that an Account will not seek to do so with respect to other

investments. Where an Account holds a minority interest in an issuer the Account may have limited ability to protect its position and investment.

Litigation Risk. In the ordinary course of business, each Account and/or the Investment Manager (and its affiliates) may become a party(ies) to threatened and actual litigation. Such litigation may involve regulatory authorities and commercial interests. Litigation may arise in the course of engaged investment activities (such as, but not limited to, proxy contests, direct shorts, breach of contract and service on credit and ad-hoc committees), may result from the nature of each Account's holdings (such as, but not limited to, controlling shareholder or lender liability claims) or could be driven by increased or changing interests by regulators in Account activities. The outcome of any legal proceedings, which may materially adversely affect the value of each Account, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Investment Manager's time and attention and involve significant expense (which each Account will ordinarily bear), and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

The outcome of any such threatened or actual litigation, which may include monetary damages, fees, fines and other sanctions, whether as a result of such regulatory authorities or such commercial interests prevailing, or each Account determining after consultation with the Investment Manager to settle such threatened or actual litigation, will ordinarily be borne by each Account.

Co-Investments with Third Parties. The Investment Manager expects to, in its discretion, offer the opportunity to co-invest alongside an Account to one or more investor and/or limited partner, the principals of the Investment Manager and other affiliates of the Investment Manager, Portfolio Company management team members, consultants, advisers, persons who the Investment Manager believes will be of benefit to an Account, the Portfolio Company or may provide strategic, staffing or similar benefits to the Investment Manager, an Account or a portfolio company, private funds sponsored by other persons, strategic investors or any other third parties whatsoever. In allocating co-investment opportunities, the Investment Manager may consider any factors it deems relevant, including whether to allocate such investment opportunity to an Account or such prospective co-investor, the sophistication, transaction speed, tenure of such prospective co-investor as an investor with the Investment Manager, such prospective co-investor's commitment to making co-investment funds available, such prospective co-investor's commitment to invest in future products sponsored by the Investment Manager or strategic expertise of the prospective co-investor. In any event, no investor should have any expectation of receiving an investment opportunity or to be owed any duty or obligation in connection therewith unless otherwise agreed with the General Partner. Without limiting the generality of the foregoing, the General Partner has agreed, and may in the future agree, to offer co-investment opportunities to certain investors and/or limited partners under certain circumstances and may enter into co-investment relationships with strategic investors, which may provide for strategic investors to be offered certain co-investment opportunities on a priority basis and/or on preferential terms when such opportunities arise. To the extent agreed upon by prospective co-investors, the Investment Manager may receive a management fee and/or retain transaction fees or portfolio-monitoring fees allocated to prospective co-investors (and the General Partner may earn carried interest) that will not reduce the compensation paid to the Investment Manager and its affiliates by an Account. Such compensation arrangements may reduce the returns to participants in the investments and create potential conflicts of interest between such parties and an Account. Co-investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of each Account or may be in a position to take (or block) action in a manner contrary to each Account's investment objective. Determinations made by the Investment Manager regarding the capacity of an Account with respect to certain investments will be based on a subjective analysis.

Joint Investments with Third Parties. An Account may acquire interests in certain issuers (including non-control or minority investments) in cooperation with third-party partners through jointly owned acquisition vehicles, joint ventures or other structures. In these situations, the Account's ability to manage such investments will depend upon the nature and terms of the joint arrangements with such partners and an Account's relative ownership stake in the issuer, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the sole discretion of the Investment Manager. Depending on the Investment Manager's perception of the relative risks and rewards of a particular issuer, the Investment Manager may elect to invest in structures that afford relatively little or no operational and/or management control to an Account. The Investment Manager may enter into such arrangements on terms that restrict an Account's ability to dispose of its investment for potentially significant periods of time. An Account may invest under circumstances where it does not control the issuer and where a third party does control, or has veto rights over, the issuer. Such arrangements present risks not present with wholly-owned investments, such as the possibility that a joint-venturer becomes bankrupt, develops business interests or goals that conflict with an Account's interests and goals in respect of the issuer, or acts in a way that results in the triggering of a buy/sell or other governance provision at an inopportune time.

Reliance on Experts. The Investment Manager expects to engage and retain, on each Account's behalf and at each Account's expense, strategic advisors, consultants, senior advisors and other similar professionals, including members of "expert networks" who are not employees or affiliates of the Investment Manager or General Partner, and which may include former senior officials and other high-profile political figures, including persons known to be close associates of such individuals. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they provide the Investment Manager with industry- or jurisdiction-specific insights and feedback on investment themes, assist in transaction due diligence and make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and contribute to the origination of new investment opportunities. In certain instances the Investment Manager expects to have formal arrangements with these professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal.

The Investment Manager has broad discretion to determine how to structure compensation arrangements for third parties retained on each Account's behalf and, when making such a determination, may take into account various factors such as, but not limited to, expertise, availability and quality of service, the value any such third party places on his/her own time, the competitiveness of compensation rates in comparison with other service providers satisfying the Investment Manager's service provider selection criteria and the value of any research and brokerage services and other products and/or services provided by such persons. Such arrangements may include payments such as hourly rates, retainers, "success fees" and a combination thereof in the form of cash, options, warrants, stocks, stock appreciation rights or otherwise and irrespective of whether (i) there is a contractual obligation to pay such fees or (ii) such third parties are engaged by each Account and/or its affiliates in a dedicated or exclusive capacity. In certain instances, the Investment Manager expects to have formal arrangements with these third parties (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal. Such compensation arrangements may include retainers and/or success fees. Each Account will bear the expenses associated with such arrangements.

There can be no assurance that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with the Investment Manager throughout the term of each Account. Further, in the event that material non-public information is obtained by such persons, an Account may become (or may elect to become) subject to trading restrictions pursuant to the internal trading policies of the Investment Manager or as a result of applicable law or regulations or be prohibited for a period of time from purchasing or selling securities, which prohibition may have an adverse effect on such Account. The Accounts and the Investment Manager may also become subject to legal, regulatory, reputational and other unforeseen risks as a result of these professionals' high-profile positions or other action.

Account Risks

Dependence on Daniel S. Loeb and the Investment Manager. All investment decisions with respect to the Accounts are made by the portfolio managers of the Investment Manager, under the general supervision of Daniel S. Loeb; investors have no right or power to take part in the management of the Accounts. As a result, the success of the Accounts depends largely upon the abilities of Mr. Loeb, and no assurance can be given that a suitable replacement could be found for him in the event of his death, disability or withdrawal from the Investment Manager. In the event Mr. Loeb is no longer actively engaged in formulating the investment philosophy of the Investment Manager, whether by death, disability, ceasing to directly or indirectly control the Investment Manager or otherwise, investors will be entitled to special notice and withdrawal/redemption rights as described in the applicable Account's offering memorandum. A potential investor should consult the applicable Account's offering memorandum, which depending on the strategy, may identify an additional key person.

Investment Manager and its Member and Principals. The Investment Manager currently serves as the investment manager to the Accounts, and will not devote its resources exclusively to one Account's business. Furthermore, the Investment Manager may in the future manage additional funds or accounts which may require significant attention. In addition, Mr. Loeb will continue to have significant involvement with non-Account businesses and while he devotes a substantial and appropriate amount of his time to Account business, he has substantial philanthropic and other business interests to which he attends from time to time.

Fees. An Account will incur substantial fees and expenses whether or not any profits are realized.

Limited Transferability of Shares/Interests. The shares/interests are subject to significant restrictions on transfers, including the requirement that the Board or General Partner, as applicable, consent to any such transfer. Investors should have no expectation that the Board or General Partner, as applicable, will consent to any sale, assignment, transfer, conveyance or disposition of shares/interests. Prospective investors are required to represent that they will be acquiring their shares/interests for investment purposes only and not with a view to resale or distribution. The shares/interests have not been registered under the Securities Act, or any other securities laws, and therefore are subject to restrictions on transfer under the Securities Act and under other jurisdictions' securities laws. It is not anticipated that a market for the shares/interests will ever develop.

Limited Liquidity. Investors will be subject to limited liquidity and shares/interests are generally not transferable. Investors will only be entitled to redemption at limited times (as described in the applicable Account's offering documents). Please refer to the applicable Account's offering memorandum for more details.

In-Kind Distributions. Distributions of proceeds upon an investor's redemption/withdrawal may be limited, in the Board's or General Partner's discretion, as applicable. There can be no assurance that the Account will have sufficient cash to satisfy redemption requests, or that it will be able to liquidate investments at the time of such redemption/withdrawal requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the Board or General Partner, on the advice of the Investment Manager, an investor may receive in-kind distributions from the Account's portfolio, including, but not limited to, a distribution of interests in a liquidating entity or similar special purpose vehicle which may be subject to management fees comparable to those applicable to the shares/interests being redeemed/withdrawn. For the purpose of determining the value to be ascribed to any assets or liabilities of the Account used for an in-kind distribution, the value ascribed to such assets or liabilities shall be the value of such assets or liabilities on the relevant redemption/withdrawal date. The risk of a decline in the value of such assets or liabilities in the period from the relevant redemption/withdrawal date to the date upon which such assets or liabilities are distributed to the redeeming investor, and the risk of any loss or delay in liquidating

such securities, will be borne by the redeeming investor, with the result that such investor may receive less (or no) cash than it would have received if it had been paid in cash. The redeeming investor will incur transaction costs in connection with the sale of any proceeds distributed in-kind, and, in the case of interests in trading vehicles or special purpose vehicles, also a proportionate portion of the operating and other expenses borne by such vehicle. Investments so distributed may not be readily marketable or saleable and may have to be held by such investor for an indefinite period of time. Furthermore, to the extent that a redeeming investor receives interests in one or more trading vehicles or special purpose vehicles, such redeeming investor will generally have no control over when and at what price the securities in which such vehicles have an interest are sold. In addition, payment to such redeeming investor of that portion of its redemption proceeds attributable to securities held by one or more trading vehicles or special purpose vehicles will be delayed until such time as such vehicles elect to liquidate such securities.

To the extent that trading vehicles or special purpose vehicles are established for the purpose of distributing interests to redeeming investors, such vehicles will generally be managed towards liquidation. The portfolio strategies employed by the Investment Manager for the Account could conflict with the transactions and strategies employed by the Investment Manager in managing the liquidation of the assets of such vehicles and may affect the prices of the securities that such vehicles hold or to which they are exposed.

Beginning June 30, 2023 withdrawals from the Hedge Funds implementing the flagship strategy by a limited partner will be satisfied with (1) cash and (2) a participation note representing the withdrawing limited partner's pro rata share of the Hedge Fund's legacy private investments as of June 30, 2023, and a cash reserve to be used for fees and expenses of the Hedge Fund, including note management fees, costs related to hedging in respect of certain legacy private investments and other applicable expenses.

Electronic Delivery of Certain Documents. Pursuant to the subscription agreement entered into by each investor, such investor (i) will, unless the Board or General Partner, as applicable, agrees otherwise with such investor, consent to the electronic delivery of the offering memorandum, such subscription agreement, investor communications, investor reports, potential amendments/waivers, privacy notices, Schedule K-1s, and any other documents or information to be provided to such investor that relate to a Fund, the General Partner, the Investment Manager and/or any of their affiliates or such investor's investment in the Fund (collectively, the "Investment Documents") and (ii) will agree that such electronic delivery will be in place of delivery of such documents in paper form. The term of this consent will be indefinite, but an investor may terminate this consent at any time by notifying the General Partner in writing. This consent to electronic delivery will extend to delivery of the Investment Documents now and in the future, whether such delivery is (now or in the future) required by law, or is not required but is made by the General Partner to provide such investor with additional information. Such electronic delivery may include furnishing the above mentioned materials to an electronic data room or internet website to which investors are granted access; provided, that the General Partner will notify each investor when such investor should visit the website to view or print the Investment Documents, (a) through electronic mail to the e-mail address provided by such investor in its subscription agreement, or (b) via facsimile. Moreover, the General Partner cannot provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems or malfunctions resulting from any computer viruses or related problems that may be associated with the use of an internet-based system.

No Protection Under the U.S. Investment Company Act. In reliance upon a statutory exemption for privately offered investment companies, the Accounts have not registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), or the laws of any country or jurisdiction. Therefore the protections afforded by the 1940 Act (among other things, the 1940 Act generally requires investment companies to have a majority of disinterested directors, requires securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company, and regulates the relationship between the investment adviser and the investment company) will not be applicable to the Accounts.

Effects of Substantial Redemptions. Substantial redemptions/withdrawals of shares/interests by investors within a limited period could require an Account to liquidate its securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the shares/interests being redeemed and the remaining shares/interests remaining in an Account. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in an Account's net asset value, and thus in its equity base, could make it more difficult for an Account to generate trading profits or recoup losses, and could even cause an Account to liquidate positions prematurely. Some Account investments may be subject to required assets under management provisions, such as standard swap agreements, that may be triggered by substantial redemptions, which triggers could result in further adverse effects for an Account. Redemptions/withdrawals from an Account are subject to the imposition, at the Board's or General Partner's discretion, of the Fund-Level Gate, if applicable, which if imposed may diminish the effects of substantial redemptions/withdrawals (but at the same time, reduce investors already limited redemption rights). Furthermore, with regard to the Investor-Level Gate Shares/Interests only, if applicable, Investors are subject to the Investor-Level Gate in addition to the applicable Fund-Level Gate. Under certain circumstances, the Board or the General Partner may suspend or limit redemptions/withdrawals.

Employee Benefit Plans. An investment in an Account by (i) an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) an Individual Retirement Account Keogh Plan or other plan, arrangement or account that is not subject to ERISA but which is subject to Section 4975 of the Code, and (iii) governmental plans, certain church plans and non-U.S. plans subject to provisions that are substantially similar to ERISA or Section 4975 of the Code, may subject such plans to certain taxes and other risks. Consequently, fiduciaries of such plans are cautioned that investment in an Account should not be undertaken without consulting legal counsel concerning the matters discussed below under "*Certain ERISA Considerations.*"

Increases In Assets Under Management. While the Investment Manager believes that greater assets under management by an Account and/or the Investment Manager is generally an advantage to the Accounts, there is also the risk that the greater the amount of assets the Investment Manager manages, the more difficult it may be for it to invest profitably for an Account because of the difficulty of trading larger positions without adversely affecting prices and managing risks associated with larger positions. In addition, there can be no assurance that there will be appropriate investment opportunities to accommodate future increase in assets under management, which may force the Investment Manager to modify its investment decisions for an Account because it cannot deploy all the assets in a manner it desires. Furthermore, due to the overlap of strategies and investments across many of the Accounts, an Account may be adversely affected in the event of rapid or large liquidations of investment positions held by an Account due to a lack of liquidity resulting from large position sizes in the same investments held by the other Accounts.

Competition; Availability of Investments. The markets in which an Account may invest are competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce an Account's opportunity for profit by generally increasing price pressure on desired assets, reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

Execution Risks and Investment Manager Error. The execution of the trading and investment strategies employed by the Investment Manager for the Accounts can often require time sensitive trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In each case, the Investment Manager seeks best execution and has trained execution and operational staff devoted to

supervising the execution, settlement and clearing of such trades. However, in light of the time pressures and complexity involved, some slippage, errors and miscommunications with brokers and counterparties are inevitable and may result in losses to the Accounts. Such losses may be caused by the Accounts' brokers and counterparties or by the Investment Manager or by a combination of the broker or counterparty and the Investment Manager. The Investment Manager may, but is not required to, attempt to recover losses from brokers or counterparties. The Investment Manager is not liable to an Account for losses caused by brokers or counterparties, provided that such broker or counterparty was selected, engaged or retained by the Investment Manager with reasonable care and provided further that no action or failure to act by the Investment Manager constitutes fraud, bad faith, willful misconduct or gross negligence. The Investment Manager will also not be liable to an Account for a mistake of judgment or action or inaction taken by the Investment Manager honestly and in good faith and which the Investment Manager reasonably believed to be in the best interests of the Accounts, provided that such action or failure to act by the Investment Manager does not constitute fraud, bad faith, willful misconduct or gross negligence. Generally, in determining whether the Investment Manager was grossly negligent, the Board or the General Partner, as applicable will evaluate and consider, among other things, the adequacy of the supervisory procedures in place to prevent such errors from recurring with any frequency.

Suspensions of Trading and Failure of Exchanges. Each securities exchange typically has the right to suspend or limit trading in all securities which it lists. Such a suspension involving securities owned by each Account would render it impossible for each Account to liquidate positions and, accordingly, could expose each Account to losses. Each Account also is subject to the risk of the failure of any exchanges on which the positions of each Account trade or of such exchanges' clearinghouses.

Systems Risk and Cybersecurity. Recent events have illustrated the ongoing cybersecurity risks to which businesses are subject. The Accounts depend on the Investment Manager to develop and implement appropriate systems for the Accounts' activities. The Accounts rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, trading, clearing and settling transactions, evaluating certain securities, monitoring its portfolio and net capital, and generating risk management and other reports that are critical to oversight of the Accounts' activities. Certain of the Accounts' and the Investment Manager's operations interfaces are dependent upon systems operated by third parties, including prime broker(s), each Account's administrator, market counterparties and their sub-custodians and other service providers. The Accounts' service providers may also depend on information technology systems and, notwithstanding the diligence that the Account may perform on its service providers, the Account may not be in a position to verify the risks or reliability of such information technology systems.

The Accounts, the Investment Manager and their service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to an Account or individual investor by interfering with the processing of investor transactions, affecting an Account's ability to calculate net asset value or impeding or sabotaging trading.

An Account may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction,

the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose both an Account and the Investment Manager (which in turn may be indemnified by the Account) to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions from an Account. Investors could also be exposed to losses resulting from unauthorized use of their personal information. While the Investment Manager has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which the Account invests, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing an Account's investment in such securities to lose value.

Technology Industry Risks. An Account's performance may be disproportionately influenced by factors that are specific to the technology industry, including, among others, rapid scientific and technological progress, intellectual property dependent products that are subject to frequent lawsuits and rapid changes in consumer preferences and technological trends. Given such factors, valuations of companies in the technology industry are volatile. Furthermore, such volatility may lead to uncertainty in pricing potential investment opportunities.

Benchmark Rates, in Particular LIBOR. The London Interbank Offered Rate ("LIBOR") is an estimate of the rate at which a sub-set of banks (known as the panel banks) can borrow money on an uncollateralized basis from other banks. The UK Financial Conduct Authority, which regulates LIBOR, has announced that it would not persuade or compel banks to contribute to LIBOR after 2021. Additionally, ICE Benchmark Administration Limited (the "IBA"), the administrator of LIBOR and other interbank offered rates ("IBORs"), has announced its intention to cease publication after December 31, 2021 of (i) all tenors of non-USD LIBOR settings and (ii) one-week and two-month tenors of USD LIBOR settings. The IBA has also announced its intention to cease publication after June 30, 2023 of all remaining USD LIBOR settings. It is possible that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and could cease providing submissions prior to December 31, 2021. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other IBORs. Regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. For example, the Alternative Reference Rate Committee, a private-sector working group convened by the Federal Reserve Board and the Federal Reserve Bank of New York to identify alternative reference rates for LIBOR (the "ARRC"), and the International Swaps and Derivatives Association, Inc., a global trade association representing leading participants in the derivatives industry ("ISDA"), have taken significant steps toward the development of consensus-based fallbacks and alternatives to LIBOR, which appear constructive for end-users. In particular, the ARRC has published recommended fallback language for new issuances of several LIBOR-linked products. The ARRC fallback recommendations are intended to minimize disruptions in the event LIBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. In addition, ISDA has amended certain of its standard derivatives documentation to implement fallbacks for certain key IBORs and has published an ISDA protocol to facilitate amendments to existing derivatives documentation. The ISDA fallbacks will apply if the relevant IBOR is permanently discontinued or is determined to be no longer representative, based on defined triggers. There can be no assurance, however, that the alternative rates and fallbacks will be effective at preventing or mitigating disruption as a result of the transition.

The termination of LIBOR and the other IBORs may present other risks to the Fund. It is not possible at this point to identify those risks exhaustively but, in addition to the risks outlined above, they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the

Fund. Moreover, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR may impose costs on, or may not be suitable for, the Fund, resulting in costs incurred to close out positions and enter into replacement trades.

An Account may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts that determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the Fund may continue to invest in instruments that reference IBORs.

Incentive Allocation. The General Partner, an affiliate of the Investment Manager, is entitled to receive an Incentive Allocation in accordance with each Account's offering memorandum. Such a compensation arrangement may create an incentive for the Investment Manager to make investments on behalf of an Account that are riskier or more speculative than would be the case if such arrangement was not in effect. In addition, because the Incentive Allocation is calculated on a basis that includes unrealized appreciation of an Account's assets, it may be greater than if such compensation were based solely on realized gains.

Enhanced Scrutiny and Regulations of the Private Investment Fund and Financial Services Industries. In response to the global financial crisis of 2008, there have been unprecedented legislative and regulatory actions taken by numerous governments and their agencies, including the enactment of the Dodd-Frank Act. The Dodd-Frank Act is comprehensive in scope (including the so-called "Volcker Rule," providing significant changes to the structure of federal financial regulation and new substantive requirements that apply to a broad range of market participants, including private investment funds). Significantly, the Dodd-Frank Act also mandates significant changes to the authority of the Federal Reserve, the CFTC and the SEC, as well as enhanced oversight and regulation of investment advisors, banks and non-bank financial institutions. This enhanced oversight and regulation, and the need for significant additional rule-making by various governmental bodies, is creating uncertainty in the financial markets and, in particular, in the private funds industry. Among other things, such uncertainty may result in enhanced compliance risks. While it will likely be quite some time until the full extent of the Dodd-Frank Act reforms are implemented and the direct and indirect impact of this legislation is fully understood, industry observers generally agree that most advisers to private investment funds and other private pools of capital have been affected.

Many of the regulators to which an Account, the Investment Manager or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanctions imposed against an Account, the Investment Manager or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm such Account, the Investment Manager or their respective affiliates' reputations which may adversely affect such Account's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. As the U.S. and the global economy continue to struggle to improve, there is a material risk that the U.S. and/or regulatory agencies in the U.S. and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations. Any such events or changes could occur during an Account's term and may adversely affect an Account and its ability to operate and/or pursue its investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

Additional legislative and regulatory action is likely, as growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, have prompted governmental and public attention to the private funds industry and its practices. Changes to various laws and regulations (including tax laws) could occur during the term of an Account and may adversely affect an Account and its ability to operate and/or pursue its trading strategies. Such risks are often difficult or

impossible to predict, avoid or mitigate in advance. The effect on an Account of any such regulatory or legal changes could be substantial and adverse. For example, rule 4.27 under the Commodity Exchange Act and the Advisers Act rule 204(b)-1 implement Sections 404 and 406 of the Dodd-Frank Act requiring advisors to hedge funds and other private funds to report information for use by the Financial Stability Oversight Council in monitoring risk to the U.S. financial system. Among other things, certain large private fund advisors are required to file a Form PF on a quarterly basis reporting on matters such as exposures by asset class, geographical concentration, turnover and, in certain cases, leverage, risk profile and liquidity. In addition, non-U.S. jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds.

Furthermore, the private funds industry has been subject to criticism by some politicians, regulators and market commentators as a result of alternative asset managers becoming more influential participants in the U.S. and global financial markets and economy, generally. As of the date of this disclosure, various U.S. federal, state and local agencies have been examining the role of placement agents, finders and other similar private investment fund service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Moreover, as a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets. There has been an active debate both nationally and internationally over the appropriate extent of regulation and oversight of private investment funds and their managers. Any changes in the regulatory framework applicable to an Account may impose additional expenses, require the attention of senior management or result in limitations in the manner in which an Account's business is conducted.

It is impossible to predict what, if any, changes in regulation applicable to an Account, the Investment Manager, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The effect of any future regulatory change on an Account could be substantial and adverse.

Investors should understand that the Investment Manager's business is dynamic and is expected to change over time. The Investment Manager may maintain multiple business lines in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. Therefore, an Account may be subject to new or additional regulatory constraints in the future. This disclosure cannot address or anticipate every possible current or future regulation that may affect the Investment Manager, an Account or their respective businesses. Such regulations may have a significant impact on the investors or the operations of an Account, including, without limitation, restricting the types of investments that an Account may make, preventing an Account from exercising its voting rights with regard to certain securities, requiring an Account to disclose the identity of its investors, its positions or otherwise. The Investment Manager may, in its sole discretion, cause an Account to be subject to such regulations if it believes that an investment or business activity is in an Account's interests, even if such regulations may have a detrimental effect on one or more investors. Prospective investors are encouraged to consult their own advisors regarding an investment in an Account.

CFIUS and National Security/Investment Clearance Consideration. Certain investments by the Fund that involve the acquisition of an investment in a business connected with or related to national security or critical infrastructure may be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the Fund. In the event that CFIUS or another regulator reviews one or more of the Fund's proposed or existing investments, there can be no assurances that the Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator may seek to impose limitations on or prohibit one or more of the issuers in which the Fund invests. *Rule 506(d)*. Effective September 23, 2013, the SEC adopted amendments to Rules 501 and 506 of Regulation D promulgated under the Securities Act barring issuers deemed to be "bad actors" from relying

on Rule 506 of Regulation D (“Rule 506”) in connection with private placements. Specifically, an issuer will be precluded from conducting offerings that rely on the exemption from registration under the Securities Act provided by Rule 506 if a “covered person” of the issuer has been the subject of any disqualifying event as described in Rule 506(d)(1) of the Securities Act. “Covered persons” include, among others, the issuer, affiliated issuers, any Investment Manager or solicitor of the issuer, any director, executive officer or other officer participating in the offering of the issuer, any general partner or managing member of the foregoing entities, any promoter of the issuer and any beneficial owner of 20% or more of the issuer’s outstanding voting equity securities, calculated on the basis of voting power. If any covered persons of an Account, including an Account’s affiliated issuers, are subject to a disqualifying event, the Account could lose the ability to raise capital in a Rule 506 offering for a significant period of time.

EU Alternative Investment Fund Managers Directive and the United Kingdom Alternative Investment Fund Managers Regulations. The Alternative Investment Fund Managers Directive 2011/61/EU, including all national, implementing or supplementary measures, laws and regulations (“AIFMD”) and the United Kingdom Alternative Investment Fund Managers Regulations 2013 as amended including by the European Union (Withdrawal) Act 2018 and Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (the “AIFM Law”) may have an adverse effect on the continued operation of the Fund where interests are offered to or placed with investors in the European Economic Area (the “EEA”) and the United Kingdom.

The AIFMD or the AIFM Law may have an adverse effect on the continued operation of the Fund in a number of ways. The extent to which the Investment Manager or any person acting on their behalf can market the Fund in an EEA Member State or the United Kingdom may be more restricted than was the case before the AIFMD or the AIFM Law came into force. This could limit the Fund’s ability to attract investors based in those EEA Member States or the United Kingdom, resulting in a reduction in the overall amount of capital raised by the Fund which limits, in turn, the range of investment strategies and investments that the Fund is able to pursue and make. The Investment Manager may be required to comply with additional initial disclosure, annual reporting and regulatory filing requirements in relation to the Fund and in certain EEA Member States it may be required to comply with registration requirements, including the requirement to appoint a depositary. Compliance with these requirements may result in additional costs to the Fund reducing the returns for investors. The need to comply with the registration requirements may also delay the Fund’s capital raising process, in turn reducing the speed with which the Investment Manager can deploy the capital raised. There is a risk that the Investment Manager may breach the requirements imposed by the AIFMD or the AIFM Law as a result of the differing manner and way in which the AIFMD and AIFM Law has been implemented in various EEA Member States and the United Kingdom, respectively. Such a breach may result in a regulatory authority or court in that or another EEA Member State or the United Kingdom requiring the Investment Manager to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against the Investment Manager or the Fund. This may result in a reduction in the overall amount of capital available to the Fund, which limits, in turn, the range of investment strategies and investments that the Fund is able to pursue and make or otherwise result in a loss to the Fund. Furthermore, there is a risk that the AIFMD or the AIFM Law will be interpreted differently by each EEA Member State or the United Kingdom. This may have an adverse effect on the marketing and/or operation of the Fund and may result in additional costs, reducing the returns for investors.

As a non-EEA or non-United Kingdom AIFM, the Investment Manager is not required to comply with all of the requirements set out in the AIFMD or the AIFM Law. Accordingly, and subject to the below, investors in the Fund will not receive the full protections or benefits available under AIFMD or the AIFM Law, which would otherwise be available to investors in an AIF managed by an EEA AIFM or United Kingdom AIFM.

Notwithstanding the above, in certain or all EEA Member States and the United Kingdom, the Investment Manager may choose not to market the Fund at its own initiative or otherwise take any action

that would result in the AIFMD or the AIFM Law applying to the Investment Manager or the Fund. In this respect, the Investment Manager will only accept investors where the Investment Manager concludes that such investors approached the Investment Manager, the Fund or someone acting on their behalf at their own initiative or that AIFMD or the AIFM Law would not otherwise apply to the Investment Manager, the Fund or any persons acting on their behalf. There is a risk that an EEA Member State or United Kingdom regulatory or governmental authority may reach a different conclusion to the Investment Manager and find that the relevant measures taken in order to give effect to or supplement the AIFMD or the AIFM Law in one or more EEA Member States or the United Kingdom do apply to the Investment Manager or the Fund. Such a finding may result in a regulatory or governmental authority or court in one or more EEA Member States or the United Kingdom requiring the Investment Manager or the Fund to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against the Investment Manager and/or the Fund. This may result in a reduction in the overall amount of capital available to the Fund, which limits, in turn, the range of investment strategies and investments that the Fund is able to pursue and make or otherwise result in a loss to the Fund. If an investor approaches the Investment Manager or someone acting on their behalf at the investor's own initiative, as the Investment Manager will not be required to comply with any of the requirements of the AIFMD or the AIFM Law with which a non-EEA or a non-United Kingdom manager registered under the AIFMD or the AIFM Law is otherwise required to comply, investors will not receive the protections or benefits available under the AIFMD or the AIFM Law, including initial disclosure requirements and periodic reporting on illiquid assets and leverage.

The EU Sustainable Finance Disclosure Regulation. The EU's Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended from time to time, the "SFDR") sets out certain environmental, social, governance ("ESG") and sustainability disclosure requirements for alternative investment fund managers undertaking fund management activities or marketing fund interests to investors within the EEA.

The SFDR, along with other sustainability and ESG requirements that may, in the future, be imposed by other jurisdictions in which the Investment Manager does business and/or in which the Fund is marketed, may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Fund or for the Investment Manager, including the requirement to capture information or data about the Fund or its investments and undertake a periodic assessment of the principal adverse impacts of the Fund's impact on sustainability factors. Additionally, the Investment Manager may be required to classify itself or the Fund against certain ESG criteria, some of which can be open to subjective interpretation. The Investment Manager's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by the Investment Manager or the Fund or it may require new processes to be set up to capture data about the Fund or its investments, which may lead to additional cost to be borne by the Fund. Additionally, the classification of the Fund into a certain ESG category may make it more difficult for the Fund to raise its targeted amount of capital commitments as such classification may not reflect the beliefs or values of a particular investor in the manner of which another classification otherwise would.

Uncertain Geopolitical Events. International and/or local geopolitical events may influence the issuers of, and markets for, financial instruments traded by an Account. Geopolitical events, including, without limitation, national referenda, political elections, international violent and non-violent conflicts and political movements, may affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that may impact an Account and/or its ability to operate and/or pursue its investment strategy.

Public Health Risk. An Account could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises (or by the fear or imminent threat thereof), including the current novel coronavirus ("COVID-19") pandemic. Disease outbreaks have occurred in Asia in the past

(including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and the current COVID-19 pandemic) and any prolonged occurrence of infectious disease or other adverse public health developments in any country in which the Account targets investments may have an adverse effect on the Account's investments, including by (i) disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of the Account, the Investment Manager and their respective service providers and (ii) severely disrupting global, national and/or regional economies and financial markets and triggering a period of global economic slowdown or volatility.

Public health crises and efforts to address them may result in (or, in the case of the COVID-19 pandemic, have already resulted in) quarantines, restrictions on travel, bans on public events, bans on public gatherings, closures of a variety of venues (e.g., restaurants, concert halls, museums, theaters, schools and stadiums, non-essential stores, malls and other entertainment facilities) and/or shelter-in-place orders of varying lengths and severity. Such actions disrupt global supply chains and create unprecedented shifts in demand, from both a technical and psychological perspective.

The outbreak of COVID-19 in many countries, including the United States, continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak is rapidly evolving and responses of the governments of the world, and the United States in particular, have been substantial and are ongoing. The United States, as well as other nations, including, without limitation, China, Japan and the United Kingdom, have taken measures to limit the economic impact of COVID-19. Despite these extraordinary measures, global assets, including those assets that an Account invests in, remain depressed and/or highly volatile. The rapid development of this situation precludes any prediction as to the ultimate adverse impact of COVID-19. There are no comparable recent events which provide guidance as to the effect of the spread of COVID-19 on the economy as a whole and the specific sectors that an Account may invest in. COVID-19 presents material and specific uncertainty and risk with respect to an Account's performance and financial results. The extent of the impact of COVID-19 on an Account and its direct or indirect investments will depend largely on future developments, which are highly uncertain and cannot be predicted.

Further, in this environment, there is a heightened likelihood of government intervention or regulation and/or changes in law, including, by way of example, laws and regulations requiring creditors to waive payments from debtors, defer maturities on debt instruments and/or cancel or delay foreclosures on assets, any of which could have a material adverse effect on the Fund and its investments. In addition, any worldwide pandemic or other public health crises may have (and, in the case of the current COVID-19 pandemic, have had) a substantial impact on the operations of tax and other governmental authorities, including the IRS, which could, among other things, impose delays on their response and processing times. Such delays may have an adverse effect on the Account's operations and structure.

U.S. Civil Unrest. The United States is currently experiencing, and in recent years has experienced, increasing political and civil unrest and uncertainty. On September 17, 2020, Christopher Wray, Director of the U.S. Federal Bureau of Investigation, testified before the U.S. House Homeland Security Committee regarding certain threats to the United States, including Domestic Violent Extremists ("DVEs"). Director Wray described DVEs as "individuals who commit violent criminal acts in furtherance of ideological goals stemming from domestic influences, such as racial bias and anti-government sentiment." He testified that DVEs are driven by perceptions of government or law enforcement overreach, sociopolitical conditions, racism, anti-Semitism, Islamophobia, misogyny and reactions to legislative actions and pose a steady and evolving threat of violence and economic harm to the United States. He also noted that DVEs have responded to peaceful movements, including First Amendment-protected activities, through violence and that racially motivated violent extremists make up the largest sub-set of DVEs, with individuals subscribing to a white supremacist-type ideology as the largest portion of such sub-set. The FBI has elevated racially motivated violent extremism to a "national threat priority," which allows the FBI to dedicate significant additional resources towards related law enforcement action.

Political and civil unrest and uncertainty have significantly increased in connection with the recent United States political elections. This period of political and civil unrest and uncertainty is likely to continue and may have a negative effect on the Account, its investments and the Investment Manager.

Brexit. On June 23, 2016, the United Kingdom voted, via referendum, to exit from the EU, triggering political, economic and legal uncertainty. While such uncertainty most directly affects the United Kingdom and the EU, global markets suffered immediate and significant disruption. Market disruption can negatively impact the Accounts. Effective January 31, 2020, the United Kingdom officially separated from the EU. Following the withdrawal from the EU, the United Kingdom entered a transition period lasting until December 31 2020, during which the EU law continued to apply in the United Kingdom. New EU legislation that took effect before the end of the transition period applies to the United Kingdom. New rules are planned to take effect on January 1, 2021. The United Kingdom and the EU have now agreed to a framework for trading arrangements for the period following the transition period. Under the agreed arrangements, United Kingdom goods will continue to have tariff free access to the EU but other barriers will apply. These new arrangements may adversely affect the return of an Account but other barriers will apply. These new arrangements may adversely affect the return of an Account and its investments. There may be detrimental implications for the value of certain of an Account's investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement its investment program. This may be due to, among other things: (i) increased uncertainty and volatility in the United Kingdom and EU financial markets; (ii) fluctuations in the market value of sterling and of United Kingdom and EU assets; (iii) fluctuations in exchange rates between sterling, the Euro and other currencies; (iv) increased illiquidity of investments located or listed within the United Kingdom or the EU; (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or (vi) changes in legal and regulatory regimes to which an Account and/or certain of an Account's assets are or become subject. An Account may invest in portfolio investments the issuers of which have significant operations and/or assets in the United Kingdom. Such issuers could be adversely impacted by the new legal, tax and regulatory environment, whether by increased costs or impediments to the implementation of their business plan or investment strategy. The Investment Manager may be limited or restricted from managing or marketing an Account. The vote by the United Kingdom to leave the EU led to concerns that there would be similar referenda in other member states of the EU, resulting in additional departures from the EU, as well as concerns that steps would be taken by countries within the United Kingdom to leave the United Kingdom. While these events have not materialized, independence movements have gained momentum within certain European countries, including most notably Spain. If such independence movements were to be successful, it would have a destabilizing effect on the relevant country and potentially the EU and the Euro as a whole, at least in the short term. The uncertainty resulting from any such developments, or the possibility of such developments, would also be likely to cause significant market disruption in the EU and the United Kingdom (including with respect to currency exchange rates) and more broadly across the global economy, as well as introduce further legal, tax and regulatory uncertainty in the EU and the United Kingdom.

Environmental Risks. Environmental laws, regulations and regulatory initiatives could play a significant role in certain industries in which the Fund may invest and have a substantial impact on investments in these industries. These industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Fund may invest in issuers that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Fund's investments will not cause injury to the environment or to people under all circumstances or that the Fund's investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated

properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on an issuer or project, and there can be no assurance that issuers will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of issuers could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the Fund and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Fund) subject to environmental liability. The Fund may experience material losses due to these risks.

Pay-to-Play Laws, Regulations and Policies. A number of states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for a period of up to two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Investment Manager, its employees or affiliates or any service providers acting on their behalf, including, without limitation, a placement agent, fails to comply with such pay-to-play laws, regulations or policies such non-compliance could have an adverse effect on an Account by, for example, providing the basis for the redemption of the affected public pension fund investor.

Accounting. Accounting Standards Codification Topic No. 740, “Income Taxes” (in part formerly known as “FIN 48”) (“ASC 740”), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of an Account, including reducing the net asset value of an Account to reflect reserves for income taxes, such as U.S. and foreign withholding taxes and income taxes payable on income effectively connected with a trade or business, that may be payable by an Account. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from an Account.

New Issues and Non-Pro Rata Allocations. Certain classes, sub-classes, series, tranches or lots of interests of applicable Accounts will participate in profits and losses from “new issues” and such participation will be limited as described below. Without limiting the foregoing, investors that are “restricted persons” under Financial Industry Regulatory Authority, Inc. (“FINRA”) Rule 5130, as amended, supplemented and interpreted from time to time (“FINRA Rule 5130”), FINRA Rule 5131, as amended, supplemented and interpreted from time to time (“FINRA Rule 5131” and, together with FINRA Rule 5130, the “FINRA Rules”), or who have elected to be treated as such (the “Restricted Investors”), will be limited in their participation in the profits and losses attributable to “new issues” (as defined in the FINRA Rules) to the lesser of (i) such Restricted Investors’ collective interest in the Fund, (ii) 10% or (iii) such lesser amount as the General Partner, in its sole discretion, may determine (or any other permissible amount under any amendment, supplement or interpretation to the FINRA Rules). The criteria for determining whether a person is a restricted person are set out in the FINRA Rules and generally include (i) for purposes of FINRA Rule 5130, FINRA members and other broker-dealers, their affiliates and persons having portfolio responsibility for collective investment vehicles or financial or other institutions, as well as the immediate family members of such persons and (ii) for purposes of FINRA Rule 5131, the executive officers and directors of any single U.S. public company (or of any single non-public company meeting certain size criteria), and persons materially supported by such officers and directors, who collectively own more than 25% of the Fund.

The General Partner is authorized to determine, among other things: (i) the manner in which new issues are purchased, held, transferred and sold by an Account and any adjustments with respect thereto;

(ii) the investors who are eligible and ineligible to participate in the profits and losses from new issues (including whether an investor that is an entity and that avails itself of the “*de minimis*” exemption provided in Rule 5130 should be treated as a Restricted Investor); (iii) the method by which profits and losses from new issues are to be allocated among investors in a manner that is permitted under FINRA Rules (including whether the Fund may avail itself of the “*de minimis*” exemption or any other exemption); and (iv) the time at which new issues are no longer considered as such under the FINRA Rules. The General Partner reserves the right to vary its policy with respect to the allocation of new issues as it deems appropriate for the Fund as a whole, in light of, among other things, interpretations of, and amendments to, the FINRA Rules and practical considerations, including administrative burdens and principles of fairness and equity.

To determine which tranche of Interests an investor shall receive, each investor will be obliged to furnish to the Account such information as may be required by the Account for that purpose. If an investor fails or refuses to provide such required information to the Account, he or she will not be entitled to participate in such new issues and will be issued a class/tranche or share/tranche that, to the extent permitted, will be limited in their participation in the profits and losses attributable to new issues a manner that is permitted under the FINRA Rules (including whether an Account will avail itself of the “*de minimis*” exemption or any other exemption) as the General Partner, in its sole discretion, may determine (or any other permissible amount under any amendment, supplement or interpretation to the FINRA Rules).

In the event that an Account determines, in its discretion, that due to tax, regulatory (including FINRA Rules) or any other reasons as to which an Account and any investor agree (including in order to comply with certain investment restrictions relating to socially responsible investing considerations of an investor), one or more of an investor’s classes, sub-classes, series, tranches or lots of interests should not participate in (or should be limited in their participation in) the net capital appreciation or depreciation, if any, attributable to any investment, type of investment or any other transaction, an Account may allocate such net capital appreciation or depreciation only to investors’ shares/interests to which such considerations or reasons do not apply (such shares/interests, the “Non-Limited Participation Shares/Interests”) (or may allocate to the Limited Participation Shares/Interests, the portion of such net capital appreciation or depreciation allowed or agreed to be allocated to them), and an Account may allocate the net capital appreciation or depreciation, if any, in respect of all investments of the Account other than such investment, type of investment or other transaction among the accounts of all Shareholders/Partners on a pro rata basis based on the value of each Shareholder’s/Partner’s account relative to the value of all Shareholders’/Partners’ accounts, determined without taking into account the value of any such investment, type of investment or other transaction. Consequently, the Non-Limited Participation Shares/Interests will be exposed to a greater extent to certain investments, types of investments or other transactions than they would otherwise be exposed to. If such investments, types of investments or other transactions generate net capital depreciation, the Non-Limited Participation Shares/Interests will be allocated a greater portion of such net capital depreciation than if such net capital depreciation were also allocated to Limited Participation Shares/Interests. The Investment Manager may also, in its sole discretion, adjust the allocations of the relevant investment among certain Accounts employing substantially the same investment strategies by disregarding the Limited Participation Interests and any limited participation interests in other applicable Accounts. Any such adjustment would limit the amount by which Non-Limited Participation Interests are overexposed to the relevant investment as a result of the non-pro rata allocations described in this paragraph. The considerations set forth in this paragraph will apply mutatis mutandis to the investors’ shares or interests participating in applicable side pocket investment accounts.

Capital Accounts Are Not Separate Legal Entities. As among the investors, the appreciation and depreciation attributable to a particular individual capital account will be allocated only to such capital account. However, a creditor of an Account will generally not be bound to satisfy its claims from assets attributable to a particular capital account. Rather, such creditor generally may seek to satisfy its claims from the assets of an Account as a whole.

Access to Information. In response to questions and requests and in connection with due diligence meetings and other communications, an Account and the General Partner may provide information to certain investors and prospective investors that is not distributed to other investors and other prospective investors. Furthermore, investors who are invested in multiple Accounts may be provided with additional information with respect to certain investments that are held in such Accounts. Such information may affect a prospective investor's decision to invest in an Account. The Investment Manager does not provide investors or prospective investors with descriptions of the due diligence inquiries it receives from other investors or prospective investors nor does it notify investors of the responses it provides to specific inquiries made by other investors or prospective investors. As a result, inquiring investors or prospective investors may obtain information other than the information that is provided (i) to all investors in the ordinary course of business, (ii) to certain investors pursuant to other agreements and/or (iii) to investors or prospective investors who conduct due diligence but do not make the same inquiries or that make the same inquiries at a different time, in each case, which information may or may not be material to a investor's investment in an Account. Each investor and prospective investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions.

Disclosure of Information Regarding Investors. An Account, the Investment Manager, the General Partner and/or their service providers or agents may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about an Account and the investors, including, but not limited to, investments held by an Account and the names and level of beneficial ownership of investors to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which an Account directly or indirectly invests; or (ii) any counterparty of, or service provider to, the Investment Manager, the General Partner or an Account. By virtue of entering into the subscription agreement and becoming an investor, each investor consents to any such disclosure relating to such investor. An Account and the Investment Manager and the General Partner will use commercially reasonable efforts to maintain the confidentiality of all Account and investor information.

In addition, investors may include persons and entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding an Account, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly to regulators or otherwise. To the extent that the Investment Manager determines that, as a result of such public records or similar laws, an investor or any of its affiliates or agents may be required to disclose information relating to an Account, its affiliates and/or any investment (other than information the General Partner has previously consented in writing that the investor may disclose), the Investment Manager may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor (other than certain basic capital account information).

Affiliated Accounts; Certain Trading and Investment Arrangements. The Investment Manager (and affiliates of the Investment Manager) may determine to organize and/or manage other Accounts other than the Accounts it currently manages, that share substantially similar investment strategies and objectives with the Account from time to time. The Accounts and any future Accounts may offer certain investors benefits that other investors will not receive in relation to their investments such as increased liquidity, heightened transparency (including with respect to portfolio composition information), the right to impose investment restrictions or guidelines, heightened reporting and reduced managed fees and performance allocations or fees. For example, an Account may contain terms that are materially different than the terms of an Account, including the ability of investors to make significant withdrawals with relatively short notice and without being subject to a "gate" or a mechanism for the Investment Manager to suspend withdrawals. In such a situation, it is possible that significant withdrawals by investors in an Account would have an adverse effect on the value of the Account's investments.

The Investment Manager is not required to notify investors of the terms applicable to the other Accounts and any future other Accounts, and such increased liquidity and/or heightened transparency may

have an adverse effect on an Account.

An Account may participate in nominee and other arrangements with other Accounts through which bank debt, trade claims, private investments and investments held for tax purposes (and a limited number of other difficult to transfer securities) are held, while the economic benefits and risks of those investments are shared by an Account and one or more other Accounts. The Accounts may also engage in swap transactions, upon the approval of an independent party engaged to approve such transactions on behalf of an Account. Furthermore, an Account may gain exposure to certain investments through trading and investment vehicles including alongside other Accounts. Such trading and investment vehicles may hold multiple investments; however, it is possible that the Fund would not hold an economic interest in every investment held by such special purpose vehicle or that it would hold varying levels of interest in such investments relative to other participants in the vehicle.

The nominee or other arrangements described above, swaps or manner of gaining exposure may give rise to certain risks, such as the risk of cross liabilities between an Account, on the one hand, and one or more other Accounts, on the other hand. In particular, an Account's participation in any investments held by an investment or trading vehicle described in the preceding paragraph would likely be governed by an agreement that grants the Account an indirect economic interest in such investment. In exchange for such interest, the Account would be responsible for paying its pro rata portion (based on ownership percentage) of the purchase price of such investment and would be liable for its pro rata portion of any liabilities of such investment or trading vehicle attributable to such investment. A creditor with a claim relating to an investment held by any such investment or trading vehicle (including an investment in which the Account does not hold a direct or indirect interest) may satisfy such claim against all assets of the investment or trading vehicle, including investments in which the Account has an interest. In addition, to the extent the Accounts own debt interests in the vehicle, a creditor having a claim against the investment or trading vehicle may in some circumstances rank senior to the claims of the Accounts and/or seek to have the debt interests of Accounts equitably subordinated.

Investments in Affiliated Accounts. An Account may invest in existing or newly-formed affiliated Accounts, if the Investment Manager determines that investing in such affiliated Accounts would enable an Account to access desirable investment opportunities. Such investment activity may subject an Account to additional risks. For example, in some circumstances, other Accounts that have received significant redemption or withdrawal requests may suspend or limit redemptions or withdrawals, including redemptions or withdrawals by an Account, potentially obligating an Account to limit or suspend redemptions from the Account. Furthermore, other Accounts may invest on the basis of certain short-term market considerations. As a result, the turnover rate with such Accounts may be significant, potentially involving substantial brokerage commissions, fees and other transactions costs. In addition, an Account will bear its *pro rata* share of the expenses of such Accounts, all of which could adversely affect an Account's returns. An Account will not pay any additional fees or be subject to any incentive allocation relating to any investments made by it in any other Account.

Side Letters; Different Terms. An Account may enter into agreements ("**Side Letters**") with certain investors formalizing requests for, among other things, incremental information (including transparency (on a delayed basis) into an Account's portfolio and/or notifications and reporting relating to certain specific events), different economic terms, confidentiality terms, additional representations and warranties from an Account and/or Investment Manager and specific transfer rights, limited mandatory redemption/withdrawal rights and general "most favored nation" rights. Additionally, certain regulated investors may be permitted to redeem on different notice or without redemption charges if, and only if, they are required by law or regulation to do so.

An Account may enter into Side Letters without providing prior notice to, or receiving consent from, other investors. As described above, under such Side Letters, certain investors may receive notification

with respect to the occurrence of certain events and/or circumstances. To the extent deemed material by an Account, all investors will be notified of such events and/or circumstances.

Furthermore, each Account, in each General Partner's discretion, as applicable, may in the future offer Interests and/or establish classes/tranches, sub-classes/sub-tranches, series, tranches or lots, in any case, with different offering terms including with respect to, among other things, the Incentive Allocation, Management Fees, denomination of currency, the fees charged, minimum and additional subscription amounts, redemption rights, portfolios, informational rights and other rights. The General Partner may establish such interests and/or new classes/sub-tranches, series, tranches or lots without providing prior notice to, or receiving consent from, existing investors. The General partner shall determine the terms of such interests and/or classes/tranches, sub-classes/sub-tranches or lots, in its discretion. Due to the varying fee structures, the General Partner's risk preference may become more or less averse.

Valuation of Securities. The Board or General Partner, as applicable, is responsible for the valuation of investments held by an Account, and the Board has delegated that responsibility to the Investment Manager. The Investment Manager is responsible for the initial valuation of all positions, and coordinates with the administrator in determining the net asset value of the Account. At least quarterly, the Investment Manager values the securities and other instruments comprising the assets and liabilities of an Account pursuant to a written valuation policy, which has been approved by the Board or General Partner. The policy is subject to revision from time to time. A summary of the Investment Manager's then-current policy is available to any investor or potential investor upon request. Valuations assigned to securities and other instruments are not necessarily equivalent to the value that can be realized by an Account on the sale of those securities and other instruments. In addition, there is a risk that the valuations of a security made pursuant to GAAP may differ from the price at which the security may actually be sold.

As Accounts are permitted to trade in thinly-traded, non-publicly traded and other illiquid securities, a certain portion (which may be material) may be ascribed values that are based on a subjective analysis. There can be no guarantee that the values ascribed to such securities (or otherwise) will reflect the price realized by an Account. Since the Accounts do not have a "side pocket" mechanism, subscriptions, redemptions and the determination of the Incentive Allocation will all be based on such valuations.

Uncertain Exit Strategies. Due to the illiquid nature of certain of the positions which an Account is expected to acquire, as well as the uncertainties of the reorganization and active management process, the Investment Manager is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Disproportionate Participation in Side Pocket Investments. Because (i) any investor may completely redeem from an Account after a side pocket investment is made but before an additional investment in connection with such side pocket investment is made and (ii) such investor's side pocket investment reserve may be insufficient to fully participate in an additional investment, it is possible that the number of investors that participate in such additional investment (and each such investor's proportionate participation therein) will at times be different than with regard to the initial side pocket investment. Accordingly, an investor that participates in an additional investment would, in such circumstances, participate in such additional investment to a greater degree than such investor's participation in the original side pocket investment.

Cross-Class Liability. An Account may, at any time, create and/or issue one or more classes, sub-classes, series, tranches, sub-tranches or lots or reclassify existing classes, sub-classes, series, tranches, sub-tranches or lots, in each case of creation, issuance and/or reclassification, without obtaining consent from, or giving notice to, any investor. An Account is a single legal entity and creditors of an Account may enforce

claims against all assets of an Account. All of the assets of such Account are available to meet all of the liabilities of every class, sub-class, series, tranche, sub-tranche or lot, regardless of the separate class, sub-class, series, tranche, sub-tranche or lot to which such assets or liabilities are attributable (if any). This risk exists, for instance, with respect to liabilities for investments allocated to side pocket investment accounts or a class/tranche for investors not participating in such investments. In practice, cross-class liability usually would only arise between any two classes where one of such classes becomes insolvent or exhausts its assets and is unable to meet all of its liabilities.

Location and Infrastructure. Most of the key personnel of the Investment Manager are located in one building in midtown Manhattan. Loss of the building and/or key personnel, whether through fire, terrorist action, earthquake or some other catastrophic event, could adversely affect our operations and the investment returns of an Account. A serious impairment to the infrastructure of the building such as extended loss of power or a prolonged restriction of physical access to the building by governmental authorities also could adversely affect the Investment Manager's operations and investment returns of an Account. The Investment Manager has contracted for offsite data back-up and recovery and has a disaster recovery plan for offsite operation, but the risk of disruption of operations remains. Similar risks may apply to the brokers, dealers and other custodians of an Account's assets.

Climate Change. Issuers may be located in areas which are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Fund's business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); sea level rise; fires; and extreme and changing temperatures. As a result of these impacts from climate-related events, an Account may be vulnerable to the following: risks of property damage to the issuer; indirect financial and operational impacts from disruptions to the operations of the issuer from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage, for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the issuer; increased insurance claims and liabilities; increase in energy cost impacting operational returns; changes in the availability or quality of water, food or other natural resources on which an Account's business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Terrorist Action. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in the global market. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions, market liquidity and the Investment Manager's ability to manage the Accounts.

Force Majeure Risks. An Account will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Natural disasters, epidemics and other acts of God, which are beyond the control of the Investment Manager, may negatively affect the economy, infrastructure and livelihood of people throughout the world.

Some force majeure events may negatively affect the ability of a party (including an Account,

the General Partner, the Investment Manager (and their respective affiliates), the administrator, a company in which an Account invests or a counterparty to either an Account or a company in which an Account invests) to perform its obligations until such force majeure event is no longer existent. In addition, the cost to an Account of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which an Account invests specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to an Account, including if its investment in such company or asset is canceled, unwound or acquired (which could be without what an Account considers to be adequate compensation). Any of the foregoing may therefore negatively affect the performance of an Account and its investments.

Employee and Service Provider Misconduct. The Investment Manager's reputation is critical to maintaining and developing relationships with existing and prospective investors, as well as with the numerous third parties with which the Investment Manager and the Accounts do business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry, and there is a risk that an employee of, or contractor to, the Investment Manager or its affiliates could engage in misconduct that adversely affects the investment strategies implemented by the Investment Manager. It is not always possible to deter such misconduct, and the precautions the Investment Manager takes to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of, or contractor to, the Investment Manager or one of its affiliates, or even unsubstantiated allegations of such misconduct, could result in direct financial harm both to the Investment Manager and the Accounts as well as harm the Investment Manager's reputation, which would have a materially adverse effect on an Account.

Similar risks may arise from employee misconduct of a service provider to an Account or the Investment Manager.

No Independent Legal Review. Investors should note that the Accounts are represented by legal counsel. To the extent that investors and this offering would benefit by an independent review, such benefit is not available. Investors are encouraged to seek the advice of independent legal counsel in evaluating the relative risks of the offering.

Sanctions and Anti-Corruption. Economic and trade sanction laws and regulations in the United States and other jurisdictions may prohibit or restrict the Investment Manager, the General Partner and their respective affiliates, owners, members, principals, officers and/or employees, and its managed Accounts from transacting, directly or indirectly, with certain countries, territories, entities and individuals. In the United States, OFAC and the U.S. Department of State's Office of Economic Sanctions Policy and Implementation ("ESPI") administer and enforce laws, Executive Orders, regulations and related authorities establishing U.S. economic and trade sanctions. Such economic and trade sanctions prohibit or restrict, among other things, certain transactions with, and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals (each a "Sanctioned Party," and collectively, "Sanctioned Parties"). These Sanctioned Parties include certain foreign countries and individuals and entities listed on OFAC's list of Specially Designated Nationals and Blocked Persons (as such list may be amended from time to time), which includes certain designated narcotics traffickers, certain entities and persons engaged in activities related to the proliferation of weapons of mass destruction and other parties subject to OFAC economic and trade sanctions programs. In addition, certain programs administered by OFAC and ESPI prohibit or restrict dealing with certain individuals or entities, including individuals or entities in certain countries or of certain nationalities, regardless of whether such individuals or entities appear on the lists maintained by OFAC and ESPI.

It is possible that these types of U.S. and other economic and trade sanctions laws and regulations may significantly restrict, prohibit or otherwise negatively affect an Account's intended

investment activities. In addition, should any investment made on behalf of an Account subsequently become subject to applicable sanctions, an Account may, without notice to the investors, cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings, or dispose of that investment (which may occur at an inopportune time).

The Investment Manager, the General Partner and their respective affiliates, owners, members, principals, officers and/or employees, and each Account are committed to complying with the U.S. Foreign Corrupt Practices Act of 1977 (as amended from time to time, the “FCPA”) and other anti-corruption laws and regulations, as well as U.S. anti-boycott regulations, to which they are subject. As a result, an Account may be adversely affected because of its unwillingness to participate in certain transactions that may violate such laws or regulations. Such laws and regulations may make it difficult or impossible in certain circumstances for an Account to purchase, sell or otherwise act expeditiously or successfully with respect to investments or potential investments, and for portfolio companies to obtain or retain business.

FCPA Considerations. The Fund and the Investment Manager are exposed to anti-corruption and anti-bribery risks under the FCPA and other anti-corruption laws and anti-bribery laws based on its own conduct and the conduct of its issuers, portfolio companies, investments and third-party service providers, depending on the circumstances. The Investment Manager maintains policies and procedures that are reasonably designed to ensure compliance by the Fund and the Investment Manager with the FCPA and other anti-corruption laws and anti-bribery laws. The Fund also relies on issuers, portfolio companies, investments and third-party service providers to comply with the FCPA and other anti-corruption laws and anti-bribery laws, as well as anti-boycott regulations, to which they are subject and to design and implement appropriate policies training and safeguards, depending upon the nature of their business. However, the Fund, the Investment Manager, issuers, portfolio companies, investments and third-party service providers may not be able to prevent or detect all violations of the FCPA and other anti-corruption laws and anti-bribery laws, even with adequate policies and procedures reasonably designed to ensure compliance with the FCPA or other anti-corruption laws or anti-bribery laws. Any determination that the Fund, an issuer, portfolio company, investment or third-party service provider has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, and a general loss of investor confidence, any one of which could adversely affect the Fund’s business prospects and/or financial position, as well as the Fund’s and its investments’ ability to achieve its investment objective and/or conduct its operations.

Tax Risks

In General. An investment in an Account involves complex tax considerations that will differ for each investor depending on the investor’s particular circumstances. The investment decisions of the General Partner and the Investment Manager will be based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all investors. There can be no assurance that the structure of an Account or of any investment will be tax-efficient for any particular investor. In addition, the tax considerations relevant to an investor may depend on whether such investor invests in an offshore fund as opposed to any of the onshore funds managed by the Investment Manager. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations.

Certain Tax Positions May be Successfully Challenged. The Accounts may be audited by U.S. federal, state or other tax authorities. An income tax audit may result in an increased tax liability of an Account including with respect to years when an investor was not an investor, which could reduce the net asset value of an Account and affect the return of all investors. In addition, under certain circumstances, generally for taxable years beginning in or after 2018, a master fund itself may be subject to audit adjustments assessed at the level of the master fund with respect to tax returns it has filed. The General Partner (or one of its affiliates) may make an election to cause any such audit adjustments assessed a master fund (together with

interest and penalties) to be assessed instead against the partners of the master fund, including any applicable feeder fund.

An Account may take positions on certain tax issues which depend on legal conclusions not yet addressed by the courts. If the U.S. Internal Revenue Service (the “Service”) or any other relevant taxing authority (together with the Service, a “Tax Authority”) challenges such a position and is successful, there may be substantial retroactive taxes, plus interest and possibly penalties.

Partnership Audits. Certain Accounts may be audited by U.S. federal, state or local income tax authorities. Such an audit may result in an increased income tax liability of the investors of the applicable Account. If the U.S. Internal Revenue Service audits certain Accounts under the partnership audit rules enacted by the Bipartisan Budget Act of 2015 (the “BBA Rules”), which are applicable to any taxable year beginning after December 31, 2017, certain Accounts, as applicable, will generally be responsible for paying any “imputed underpayment” of tax resulting from audit adjustments (including interest and penalties) in the taxable year during which the audit is finalized, unless the applicable Account makes an election pursuant to Section 6226 of the Code (which the applicable Account may or may not make). If the applicable Account makes such election, the audit adjustments (together with interest and penalties) will be assessed against the investors of the applicable master fund. As a result, under the BBA Rules, investors in the year of the adjustment, rather than investors in the year under audit, may effectively bear the cost of such adjustments. An investor that withdraws or transfers all or a portion of its interest in the applicable Account will, however, remain liable for its share of “imputed underpayment” (including interest and penalties) of such Account or applicable master fund, relating to the taxable years (or portions thereof) of the applicable Account, before the withdrawal or transfer of such Interest, and the General Partner may (but is not obligated to) require such investor to pay its share of such adjustments (including any adjustments that relate to the withdrawn or transferred portion of the interest). It should be noted that the General Partner may not (or may not be able to) require certain investors that withdrew or transferred all or a portion of its interest in the applicable Account to reimburse the applicable Account for their shares of imputed underpayments with respect to the withdrawn or transferred interest. Under such circumstances, portions of imputed underpayments (including interest and penalties) attributable to such investors will be treated as an Account expense.

Prospective investors are urged to consult with their own tax advisors regarding the new partnership audit rules.

FATCA Withholding on U.S.-Source Interest, Dividends and Certain Other Types of Income and Certain Information Reporting. Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the “Code”) (together with (i) any regulations promulgated thereunder or official administrative interpretations thereof; (ii) intergovernmental agreements entered in respect of the foregoing; and (iii) legislation, regulations or guidance enacted in non-U.S. jurisdictions that seek to implement the foregoing, “U.S. FATCA”) impose a withholding tax of 30% on certain U.S. source payments made to foreign financial institutions, their affiliates and certain other foreign entities, unless the payee provides to the payer an executed Form W-8 or W-9, as applicable (and any other information necessary) indicating that such payee (or its direct or indirect owners, as the case may be) is not subject to withholding under FATCA and otherwise agrees to comply with reporting requirements for foreign accounts owned by U.S. individuals or U.S.-owned foreign entities. In general, withholding currently applies to U.S.-source interest, dividends and certain other types of income. In order to avoid the imposition of this tax, the Accounts will be required to comply with (i) the intergovernmental agreement between the British Virgin Islands and the U.S. and certain British Virgin Islands legislation; and (ii) the intergovernmental agreement between the Cayman Islands and the U.S. and certain Cayman Islands legislation, pursuant to which they will be required to identify and report on certain direct and indirect U.S. owners or investors. The Accounts expect to comply with these reporting requirements by providing the British Virgin Islands taxing authority and the Cayman Islands Tax Information Authority, respectively, certain required information relating to an Account’s U.S. owners and any non-U.S. owners that have one or more “substantial United States owners” (as defined in section 1473(2) of the Code). In addition,

the applicable Accounts will be required to comply with Cayman Islands legislation implementing the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. Prospective investors are urged to consult their own tax advisors with respect to the withholding and reporting regime imposed by U.S. FATCA.

Non-U.S. Taxation. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of an Account, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Changes in Tax Law. U.S. federal tax legislation enacted into law on December 22, 2017 (the “2017 Tax Act”) and on March 27, 2020 (the “**CARES Act**”) has made many major changes to the taxation of individuals and businesses. There are a number of technical issues and uncertainties in the 2017 Tax Act and the CARES Act, which may be clarified by future guidance. It is not possible to predict whether such clarifications will result in adverse consequences to an Account. In addition, changes or modifications in existing judicial decisions or in the current positions of the Service or any other Tax Authority and the passage of new legislation could substantially modify the tax treatment described in this disclosure, possibly on a retroactive basis. An Account cannot predict whether the U.S. Congress or any other legislative body will enact new tax legislation or whether the Service or any other Tax Authority will enact new regulations or other guidance, nor can it predict what effect such legislation or regulations might have. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on an Account’s investment performance.

An Account and/or investors in such Account could become subject to additional or unforeseen taxation in non-U.S. jurisdictions in which an Account invests. Changes to tax treaties (or their interpretation) may adversely affect an Account’s ability to realize income or capital gains efficiently. Payments with respect to an Account’s investments in certain jurisdictions may be subject to withholding taxes and in some cases such withholding taxes may be greater than if such investments were held directly by the investors.

Medicare Contribution Tax on “Net Investment Income”. A 3.8% Medicare tax is generally imposed on the net investment income of individuals, estates and trusts. “Net investment income” generally includes the following: (1) gross income from interest and dividends other than from the conduct of a nonpassive trade or business, (2) other gross income from a passive trade or business and (3) net gain attributable to the disposition of property other than property held in a nonpassive trade or business. A significant portion of the income that an Account derives may constitute net investment income.

General Tax Considerations for the Private Real Estate Fund

Investments in REITs. The Private Real Estate Fund may make certain “REIT qualifying” investments through one or more REIT Subsidiaries as determined by the General Partner in its sole discretion. Each REIT Subsidiary is expected to satisfy the requirements for taxation as a REIT under the applicable provisions of the Code. No assurance can be given, however, that such requirements will be met. If the requirements are met, each REIT Subsidiary will be allowed a deduction for dividends paid to its owners. This treatment substantially eliminates the “double taxation” at both the corporate and owner levels that generally results from the use of corporations. However, a REIT Subsidiary would be subject to tax in certain circumstances even if it qualified as a REIT. For example, a REIT Subsidiary would be subject to tax at normal corporate rates upon any taxable income or capital gain not distributed to its shareholders, and would be subject to an additional 4% excise tax if it failed to make certain required distributions for a calendar year. So

long as a REIT Subsidiary qualifies as a REIT, it will be subject to a tax of 100% on net income from any “prohibited transaction,” which is a sale of property held primarily for sale to customers in the ordinary course of a trade or business, unless such REIT Subsidiary holds such property for at least two years and other requirements relating to the number of properties sold in a year, their tax bases, and the cost of improvements made to the property are satisfied. A REIT Subsidiary may also be subject to the corporate “alternative minimum tax.” If a REIT Subsidiary fails to qualify for taxation as a REIT in any taxable year and relief provisions do not apply, the REIT Subsidiary will be subject to tax, including applicable alternative minimum tax, on its taxable income at regular corporate rates. In order to qualify as a REIT, the requirements described below must be met. A REIT Subsidiary will also be subject to a tax of 100% on the amount of any rents from real property, deductions or excess interest paid to such REIT Subsidiary by any taxable REIT Subsidiary of such REIT Subsidiary that would be reduced through reapportionment under Code Section 482 in order to more clearly reflect income of the taxable REIT Subsidiary. A taxable REIT Subsidiary is any corporation for which a joint election has been made by a REIT and such corporation to treat such corporation as a taxable REIT Subsidiary with respect to such REIT. See “—*Investments in Taxable REIT Subsidiaries*” below.

Share Ownership Test for REITs. Shares of a REIT Subsidiary must be held by a minimum of 100 persons for at least 335 days in each taxable year or a proportional number of days in any short taxable year after the first taxable year of such REIT Subsidiary. In addition, at all times during the second half of each taxable year after the first taxable year of a REIT Subsidiary, no more than 50% in value of the shares may be owned, directly or indirectly and by applying constructive ownership rules, by five or fewer individuals, which for this purpose includes some tax-exempt entities (e.g., private foundations).

The governing documents for each REIT Subsidiary will contain certain restrictions on the actual and constructive ownership of the REIT Subsidiary’s shares (taking into account certain attribution rules under the Code) which restrictions are intended to assist a REIT Subsidiary in satisfying certain of the share ownership requirements applicable to a real estate investment trust under the Code. In addition to the restrictions on direct and indirect transfers contained in a REIT Subsidiary’s governing documents, Limited Partners may be required to provide the Private Real Estate Fund with notice of certain indirect transfers of equity interests in a REIT Subsidiary, which notice requirements are intended to assist a REIT Subsidiary in satisfying certain of the Code’s share ownership requirements applicable to a REIT Subsidiary. If a transfer of an interest in the Private Real Estate Fund or of any direct or indirect ownership interest in a Limited Partner causes shares of a REIT Subsidiary held by the Private Real Estate Fund to be converted into “Excess Shares” pursuant to a REIT Subsidiary’s governing documents, the transferee of the interest in the Private Real Estate Fund or such Limited Partner may be subject to adverse consequences, including being required to repay certain distributions received by it from the Private Real Estate Fund that are attributable to such Excess Shares and having its right to certain future distributions reduced. In order to preserve the status of any REIT Subsidiary as a REIT or as a DREIT, the Private Real Estate Fund agreement contains certain direct and indirect transfer restrictions, as well provisions requiring the transfer of Units to a trust if necessary to preserve such status.

Each Limited Partner will provide to the Private Real Estate Fund such information as the General Partner may reasonably request to determine the effect of such Partner’s ownership of Units in the Private Real Estate Fund on each REIT Subsidiary’s status as a real estate investment trust for U.S. federal income tax purposes.

Asset Tests for REITs. At the close of each quarter of each taxable year, a REIT must satisfy tests relating to the nature of its assets determined in accordance with generally accepted accounting principles. Where a REIT invests in a Partnership or limited liability company taxed as a partnership or disregarded entity, the REIT will be deemed to own a proportionate share of the Partnership’s or limited liability company’s assets for purposes of these asset tests. First, at least 75% of the value of total assets must be represented by interests in real property, interests in mortgages on real property, shares in other real estate investment trusts, cash, cash items, government securities, and certain temporary investments. Second,

although the remaining 25% of the assets generally may be invested without restriction, a REIT is prohibited from owning securities representing more than 10% of either the vote or value of the outstanding securities of any issuer other than a qualified REIT Subsidiary, another REIT or a taxable REIT Subsidiary. Further, no more than 20% of the value of the total assets of a REIT may be represented by securities of one or more taxable REIT subsidiaries and no more than 5% of the value of the total assets of a REIT may be represented by securities of any non-government issuer other than a taxable REIT subsidiary.

A REIT will not lose its status as a real estate investment trust for failing to satisfy the 5% or 10% asset tests in any quarter if the failure is due to the ownership of assets the total value of which does not exceed the lesser of (i) 1% of the total value of the REIT's assets at the end of the quarter for which the measurement is done and (ii) \$10 million; *provided*, in either case, that the REIT either disposes of the assets within six months after the last day of the quarter in which the REIT identifies the failure (or such other time period prescribed by the Treasury), or otherwise meets the requirements of those rules by the end of that period. If a REIT fails to meet any of the asset test requirements for a quarter and that failure exceeds the de minimis threshold with respect to the 5% or 10% asset tests described above, the REIT may still qualify as a REIT if the REIT is entitled to relief provisions under the Code. These relief provisions generally will be available if:

- I. following the REIT's identification of the failure, the REIT files a schedule with a description of each asset that caused the failure, in accordance with U.S. Treasury regulations;
- II. the failure was due to reasonable cause and not to willful neglect;
- III. the REIT disposes of the assets within six months after the last day of the quarter in which the identification occurred or such other time period as prescribed by the Treasury (or the requirements of the rules are otherwise met within that period); and
- IV. the REIT pays a tax equal to the greater of (a) \$50,000 and (b) the amount determined (pursuant to U.S. Treasury regulations) by multiplying the net income generated by the assets that caused the failure for the particular quarter by the highest applicable corporate tax rate.

Gross Income Tests. There are currently two separate percentage tests relating to the sources of the gross income which must be satisfied for each taxable year. For purposes of these tests, where a REIT invests in a Partnership or limited liability company taxed as a Partnership or disregarded entity, the REIT will be treated as receiving its proportionate share of the income and loss of the partnership or limited liability company, and the gross income of the partnership or limited liability company will retain the same character in the hands of the REIT as it has in the hands of the partnership or limited liability company. The two tests are as follows:

- I. At least 75% of the gross income for the taxable year must fall into certain categories of income ("qualifying income"). Qualifying income generally includes, among other things, rents from real property (with some exceptions), interest on obligations secured by mortgages, certain gains on the sales of property that are not dealer property, and dividends or other distributions from, and gain from the sale of, transferable shares in other REITs.
- II. In addition to deriving 75% of its gross income from, among other things, the sources listed above, at least 95% of the REIT's gross income for the taxable year must be derived from the above-described qualifying income, or from dividends, interest or gains from the sale or disposition of stock or other securities that are not dealer property.

Even if a REIT fails to satisfy one or both of the 75% or the 95% gross income tests for any taxable year, the REIT may still qualify as a REIT for such year if the REIT is entitled to relief under provisions of the Code. These relief provisions will generally be available if:

- I. the failure to comply was due to reasonable cause and not due to willful neglect;
- II. following the REIT's identification of the failure, the REIT files a schedule with a description of each item of gross income that caused the failure in accordance with U.S. Treasury regulations; and
- III. the REIT pays a special tax upon the greater of the amount by which the REIT fails either the 75% or 95% gross income test for that year.

Annual Distribution Requirements. In order to qualify as a REIT, a REIT is required to make distributions, other than capital gain dividends, to its shareholders each year in an amount at least equal to the sum of 90% of the REIT's taxable income, computed without regard to the dividends paid deduction and REIT net capital gain, plus 90% of the net income after tax, if any, from foreclosure property, minus the sum of certain items of excess non-cash income.

These distributions generally must be paid in the taxable year to which they relate, or in the following taxable year if declared before the REIT timely files its tax return for the year and if paid with or before the first regular dividend payment after such declaration. In order for distributions to be counted for this purpose, and to give rise to a tax deduction by the REIT, they must not be "preferential dividends." A dividend is not a preferential dividend if it is pro rata among all outstanding shares of stock within a particular class, and is in accordance with the preferences among different classes of stock as set forth in the REIT's organizational documents.

To the extent that a REIT distributes at least 90%, but less than 100% of its "REIT taxable income," as adjusted, it will be subject to tax at ordinary corporate tax rates on the retained portion. A REIT may elect to retain, rather than distribute, its net long-term capital gains and pay tax on such gains. In this case, the REIT could elect to have its owners include their proportionate share of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax paid by the REIT. The holders of interests in the REIT would then increase the adjusted basis of their interests by the difference between the designated amounts of capital gains from the REIT that they include in their taxable income, and the tax paid on their behalf by the REIT with respect to that income. The REIT may make this election by designating in a notice mailed to shareholders within 60 days of the end of the taxable year, or in a notice mailed with its annual report for the taxable year, the amount of such gains which its shareholders are to include in their taxable income as long-term capital gains.

To the extent that a REIT has available net operating losses carried forward from prior tax years, such losses may, in part, reduce the REIT's taxable income for the year and consequently reduce the amount of distributions that it must take in order to comply with the REIT distribution requirements. However, such losses will generally not affect the character, in the hands of stockholders, of any distributions that are actually made by the REIT, which are generally taxable to stockholders to the extent that the REIT has current or accumulated earnings and profits.

It is possible that a REIT, from time to time, may not have sufficient cash to meet the distribution requirement due to timing differences between (i) the actual receipt of cash, including receipt of distributions from its subsidiaries, and (ii) the inclusion of items in income by the REIT for U.S. federal income tax purposes. In the event that such timing differences occur, in order to meet the distribution requirement, it might be necessary to arrange for short-term or possibly long-term borrowings, or to pay dividends in the form of taxable in-kind distributions of property, subject to the restrictions contained in the REIT's organizational documents. If a REIT fails to meet the 90% distribution requirement as a result of an adjustment to its tax returns by the IRS, the REIT may retroactively cure the failure by paying a "deficiency dividend," plus applicable penalties and interest, within a specified period.

In addition to the distributions necessary to maintain REIT status, if the REIT should fail to distribute during each calendar year (or in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January following such calendar year), at least the

sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain net income for such year and (iii) any undistributed taxable income from prior periods, it would be subject to a 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed and (b) the amounts of income retained on which it has paid corporate income tax.

Foreclosure Property. Foreclosure property is real property and any personal property incident to such real property (i) that is acquired by a REIT as the result of the REIT having bid on the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and secured by the property, (ii) for which the related loan or lease was acquired by the REIT at a time when default was not imminent or anticipated and (iii) for which the REIT makes a proper election to treat the property as foreclosure property. REITs generally are subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% excise tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property in the hands of the selling REIT.

Failure to Qualify. If a REIT Subsidiary fails to qualify for taxation as a REIT in any taxable year and relief provisions do not apply, it will be subject to tax, including applicable alternative minimum tax, on its taxable income at regular corporate rates. Distributions to the Partnership or the Offshore Partnership in any year in which any REIT Subsidiary fails to qualify as a REIT will not be deductible by such REIT Subsidiary, nor generally will distributions be required to be made by such REIT Subsidiary under the Code. In that event, to the extent of current and accumulated earnings and profits, all distributions to the Partnership or the Offshore Partnership from such REIT Subsidiary will be taxable as ordinary dividend income to the Partners of the Partnership or the Offshore Partnership. Unless entitled to relief under specific statutory provisions, the REIT also will be disqualified from reelecting taxation as a REIT until the fifth taxable year beginning after the year during which REIT qualification was lost.

If a REIT fails to satisfy one or more requirements for REIT qualification, other than the gross income and assets tests, each of which is subject to the cure provisions discussed above, the REIT may retain its status as a REIT if:

- I. the failure to qualify was due to reasonable cause and not due to willful neglect; and
- II. the REIT pays, in accordance with U.S. Treasury regulations and in the same manner as tax, a penalty of \$50,000 for each failure due to reasonable cause and not due to willful neglect.

Investments in Taxable REIT Subsidiaries. A REIT Subsidiary and a taxable REIT Subsidiary may make a joint election for such taxable REIT Subsidiary to be treated as a taxable REIT Subsidiary of the REIT Subsidiary. If such an election is made, the taxable REIT Subsidiary will pay U.S. federal and state income taxes at the full applicable corporate rates on its taxable income prior to payment of any dividends. To the extent that a taxable REIT Subsidiary is required to pay U.S. federal, state or local taxes, the cash available for distribution to the REIT Subsidiary will be reduced accordingly. Under the taxable REIT Subsidiary provisions, a REIT Subsidiary and any entity treated as a corporation for U.S. federal income tax purposes in which the REIT Subsidiary owns an interest are allowed to jointly elect to treat such entity as a taxable REIT Subsidiary. In addition, if a taxable REIT Subsidiary of a REIT Subsidiary owns, directly or indirectly, interests representing more than 35% of the vote or value of the securities of an entity treated as a corporation for tax purposes, that subsidiary will also be treated as a taxable REIT Subsidiary of such REIT Subsidiary.

Taxable REIT subsidiaries are subject to full corporate level taxation on their earnings but are permitted to engage in certain types of activities which cannot be performed directly by REITs without

jeopardizing their REIT status. Taxable REIT subsidiaries are subject to limitations on the deductibility of payments made to the associated REIT of a taxable REIT Subsidiary and are subject to prohibited transaction taxes on certain other payments made to the associated REIT. A REIT Subsidiary will be subject to a tax of 100% on the amount of any rents from real property, deductions or excess interest paid by a taxable REIT Subsidiary that would be reduced through reapportionment under Code Section 482 in order to more clearly reflect income of such taxable REIT Subsidiary.

Tax considerations for investors in onshore Accounts:

The investors that invest directly in an onshore Account may be required to recognize income or loss for U.S. federal income tax purposes each taxable year because the onshore Account will allocate to the investor such investor's distributive share of an onshore Account's items of income, gain, loss and deduction. The recognition of income, gain, loss and deduction in any year for tax purposes may not correspond to, and may, in fact, be greater than, the economic performance of an onshore Account, and the tax liability due in respect of such income or gain (if any) could be substantial. Investors should have other sources of funding to discharge their tax liabilities resulting from their investments in an onshore Account. In addition, an Account may invest in securities of corporations and other entities organized outside the United States. Income from such investments included in an investor's distributive share of income of an onshore Account related to such investments may be subject to non-U.S. withholding taxes or non-resident capital gain taxes, which may or may not be reduced or eliminated by an income tax treaty.

Tax-Exempt U.S. Investors—Unrelated Business Taxable Income. An Account may borrow money to make investments and may enter into transactions having a similar leveraging effect with respect to investments. These borrowing and other leveraging transactions likely will result in certain of an Account's investments having "acquisition indebtedness" as that term is defined in the Code and create significant material amounts of unrelated business taxable income within the meaning of Section 512 of the Code ("UBTI") for investors in an onshore Account that are tax-exempt U.S. organizations. In addition, an Account may also otherwise enter into transactions that may generate UBTI for such investors. An investor that is a tax-exempt U.S. organization will be required to calculate UBTI separately with respect to each trade or business in which it has an interest and will not be entitled to use a net operating loss from one trade or business to offset UBTI from another trade or business. The use of a net operating loss arising in a taxable year beginning before January 1, 2018 is not subject to such limitation. Under recently finalized Treasury Regulations, all income derived from certain pass-through entities and all debt-financed income that is not otherwise attributable to a trade or business are treated as arising from a single trade or business for purposes of the foregoing rule. Certain tax-exempt private universities are subject to an additional 1.4% excise tax on their "net investment income," including income from interest, dividends, and capital gains. A prospective investor that is a tax-exempt U.S. organization is urged to consult its tax advisor with respect to the U.S. tax consequences of an investment in an onshore Account, including the impact of this new UBTI "silo" rule, and to consider an investment in an offshore Account.

Delayed Schedules K-1 and K-3. An onshore Account may not be able to provide final Schedules K-1 of K-3 or equivalent tax forms to investors for any given fiscal year until after April 15 of the following year. Final Schedules K-1 of K-3 or equivalent tax forms will not be available until an onshore Account has received all financial and other information necessary or desirable to prepare such reports and forms. Investors may be required to obtain extensions of the filing dates for their federal, state and/or local income tax returns.

Tax Consequences for an Investor Making Withdrawals. A limited partner receiving a cash payment on a complete withdrawal from an Account generally will recognize gain or loss to the extent of the difference between the proceeds received by such limited partner and such limited partner's adjusted tax basis in its interest. Such gain or loss will generally be capital gain or loss except to the extent such limited partner's distributive share of an Account's "unrealized receivables" exceeds the limited partner's tax basis in such

unrealized receivables (as discussed below). Any capital gain or loss will be short-term or long-term depending upon the limited partner's holding period for its interest in an Account.

As described above, a partnership agreement provides that the General Partner may specially allocate items of capital gain (including short-term capital gain) to a withdrawing limited partner to the extent its capital account exceeds its tax basis capital account. Such a special allocation may result in the withdrawing partner recognizing short-term capital gain due to the special allocation instead of long-term capital gain on the withdrawal.

A limited partner receiving cash on a distribution or partial withdrawal will recognize gain only if the cash payment exceeds its tax basis in its Interest.

If an Account were to distribute property to a limited partner as a distribution or in a complete or partial withdrawal, the limited partner would not recognize gain. In a complete withdrawal, the partner's basis in its interest would carry over to the property received. In a distribution or partial withdrawal, the partner would hold the property received with a basis equal to the lesser of the partner's basis in its interest or an Account's basis in the property. In the latter case, its basis for its interest would be reduced by the amount of an Account's basis in the property.

In some circumstances, a distribution of marketable securities by an Account will be taxed as a distribution of cash rather than as a distribution of property.

In a complete or partial withdrawal, a limited partner will recognize ordinary income to the extent its share of an Account's "unrealized receivables" is reduced. The amount of ordinary income will be the excess of the fair market value of the reduced share of unrealized receivables over the limited partner's share of an Account's basis in such unrealized receivables. Ordinary income can be realized on unrealized receivables, even though no gain (or even a loss) is realized in the withdrawal. Unrealized receivables include accrued but untaxed market discount, if any, on securities held by an Account.

Pass-through Deductions. For taxable years 2018 through 2025, noncorporate limited partners may deduct an amount equal to 20% of the "qualified business income" it derived from each "qualified trade or business" in which it is engaged directly and indirectly, subject to certain limitations. Noncorporate limited partners may be able to claim the deduction in respect to their shares of any qualified business income generated by real estate investment trusts ("REITs"), publicly traded partnerships and operating pass-through entities, in which an Account invests.

Passive Activity Income and Loss. The income and loss allocated to its partners by an Account will not be "passive activity income and loss." Thus, while a limited partner can use losses allocated to it by an Account against its other income, passive activity losses cannot offset income from the Account.

Certain Filing Requirements; Tax Shelter Filings. Limited partners are urged to consult with their tax advisors as to their obligations to file reports and returns with the Service with respect to their transactions in Interests and their investment in an Account. Among the forms that may be required to be filed are Form 8865 and Form 8621 (with respect to investments in a PFIC).

The Accounts do not intend to invest in tax shelters. However, as part of its campaign against abusive tax shelter activity, the U.S. Treasury Department has adopted regulations that require special filings and record retention for certain transactions that are not conventionally regarded as tax shelters. Depending upon the nature of transactions effected by an Account that result in losses, when an Account files its tax return it may be required to make a special report of its transactions to the Service on Form 8886. These reporting requirements may also apply to limited partners. For example, individuals or trusts that invest in an Account directly or through partnerships or S corporations and who are allocated \$50,000 or more of loss

from a section 988 transaction (i.e., a foreign currency transaction) will be required to file Form 8886 when they file their U.S. federal income tax returns for the year in which the loss is allocated to them. Also, a limited partner who is an individual, an S corporation or a trust (or a partnership with one of the foregoing as a partner), and whose allocable share of Account losses (other than a section 988 transaction) equals or exceeds \$2 million in any year or an aggregate of \$4 million in any combination of taxable years, will also be required to file an IRS Form 8886 with its tax return. For corporate limited partners (excluding S corporations), the thresholds are \$10 million in any one year or \$20 million over any combination of taxable years.

If investments in an Account or an Account's transactions are reportable transactions, the General Partner is required to maintain records, including investor lists containing identifying information, and to furnish those records to the Service upon demand. The General Partner may also be required to file an information return with the Service with respect to a reportable transaction.

There are significant penalties imposed on both an investor and the General Partner for failing to comply with the filing and record keeping requirements. The General Partner intends to comply with any applicable disclosure requirements and to maintain any required investor lists and other records.

Foreign Taxes. Amounts received by an Account from stocks and securities issued by an entity formed under the laws of a foreign country or doing business in a foreign country may be subject to withholding taxes and other taxes imposed by such countries. An Account may also be subject to other withholding and/or capital gains taxes in foreign countries in which it purchases and sells securities. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict the rate of foreign tax an Account will pay in advance since the amount of the Account's assets (if any) to be invested in various countries is not known. The limited partners will be informed by an Account as to their proportionate share of the foreign taxes paid by the Account. An investor generally will be entitled to claim either a credit (subject, however, to various limitations on foreign tax credits) or a deduction (although the deductibility of foreign taxes are subject to substantial limitations for taxable years 2018 through 2025) for its share of foreign income taxes in computing its U.S. federal income taxes.

An Account may, but is not required to, form one or more special purpose vehicles organized in certain non-U.S. jurisdictions to hold certain investments in order to minimize non-U.S. withholding and other taxes with respect to such investments. There can be no guarantee that taxing authorities in non-U.S. jurisdictions will not challenge such structures. Any non-U.S. withholding or other taxes that apply to an investment will reduce the rate of return on such investment.

State and Local Taxation. In addition to the U.S. federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in an Account. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. An investor's distributive share of the taxable income or loss of an Account generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which an Account acquires an interest may conduct business in a jurisdiction that will subject a limited partner's share of an Account's income from that business to tax in that jurisdiction and a limited partner may be required to file a tax return in such jurisdiction. Prospective investors are urged to consult their tax advisers with respect to the availability of a credit for such tax in the jurisdiction in which that limited partner is a resident.

For U.S. limited partners that are individuals, the deductibility of state and local taxes (including such limited partners' shares of any state and local taxes paid by an Account) will be subject to substantial limitations for taxable years 2018 through 2025.

Tax considerations for investors in the onshore Private Real Estate Fund

Investments in REITs by Tax-Exempt Partners. The Private Real Estate Fund may make certain of its “REIT qualifying” investments through one or more REIT Subsidiaries as determined by the General Partner in its sole discretion. Subject to the discussion below regarding a “pension-held REIT,” dividends received by the Partnership that are attributable to a REIT Subsidiary should not constitute UBTI to Tax-Exempt Partners; provided that (1) the Partnership has not financed the acquisition of its interest in the REIT Subsidiary with “acquisition indebtedness” within the meaning of the Code, (2) the interests in the Partnership held by the Tax-Exempt Partners are not debt financed with acquisition indebtedness and are not otherwise used in an unrelated trade or business of the Tax-Exempt Partners, and (3) each such REIT Subsidiary does not generate excess inclusion income, which is treated as UBTI, from holding a residual interest in a REMIC or a taxable mortgage pool (“TMP”). Tax-Exempt Partners should note that a REIT Subsidiary may hold a residual interest in a REMIC and may be treated as holding an interest in a TMP.

However, if any pension or other retirement trust that qualifies under Code Section 401(a) holds (directly or indirectly) more than 10% by value of the interests in a “pension-held REIT” at any time during a taxable year, a portion of the dividends paid to the Partnership in respect of such qualified pension trust by such REIT (directly or indirectly) may constitute UBTI. For these purposes, a “pension-held REIT” is defined as a REIT if at least one qualified pension trust holds more than 25% by value of the interests of the REIT (directly or indirectly) or one or more qualified pension trusts (each owning more than a 10% interest by value in the REIT) hold in the aggregate more than 50% by value of the interests in the REIT (directly or indirectly) and certain other requirements are met. The percentage of any dividend from a pension-held REIT treated as UBTI is equal to the ratio of (i) the gross UBTI (less certain associated expenses) earned by the REIT (treating the REIT as if it were a qualified trust and therefore subject to tax on UBTI) to (ii) the total gross income (less certain associated expenses) of the REIT. A de minimis exception applies where the ratio set forth in the preceding sentence is less than 5% for any year.

The foregoing discussion is not intended as a substitute for careful tax planning, particularly since certain of the income tax consequences of an investment in an Account may not be the same for all taxpayers. Prospective investors are urged to consult with their own tax advisors as to their specific tax consequences under the tax laws that are applicable to them.

Tax considerations for investors in offshore Accounts:

It is intended that the businesses of an offshore feeder fund to an Account and its applicable master fund will be conducted in a manner such that the offshore feeder fund and master fund will not be deemed to be engaged in the conduct of a trade or business in the United States, as determined for U.S. federal income tax purposes, however, no assurances can be given in this regard. If an offshore feeder fund or the applicable master fund were regarded as being engaged in a U.S. trade or business, however, all or a portion of the offshore feeder fund’s income would be treated as ECI subject to U.S. federal income tax and the offshore feeder fund may be subject to branch profits tax on that income.

The income that a tax-exempt U.S. entity derives from an investment in the offshore feeder fund generally is not expected to give rise to UBTI, except to the extent that such entity’s acquisition of an interest is debt financed. However, the investors in an offshore feeder fund will be required to bear the costs of any entity-level taxes, including withholding taxes on dividends paid to the offshore feeder fund. The tax consequences to investors of an investment in an offshore feeder fund are complex.

FIRPTA. An Account can pursue investment opportunities, including financings secured by individual pools of real estate assets. Under the Foreign Investment in Real Property Tax Act of 1980 (“**FIRPTA**”), income derived, and gains realized by non-U.S. investors, from the sale or disposition of (i) real property located in the United States and (ii) stock or securities (other than debt instruments with no equity component) of United States Real Property Holding Corporations (as defined in Section 897 of the Code, “**USRPHCs**”), will generally be subject to U.S. income tax on a net basis. Though the Accounts do not expect

that its investments would initially be treated as interests in real property, and therefore do not expect that an Account or any vehicles used to make such investment would be treated as USRPHCs, it is possible that over time (including in connection with any restructuring), such investments will be converted (whether at the election of an Account or otherwise) into assets treated as interests in real property for U.S. federal income tax purposes and that one or more of the investment vehicles could therefore be treated as a USRPHC. The implications of such treatment could be material and adverse to the after-tax returns of an Account, and there can be no guarantee that any steps taken to limit an Account's exposure to FIRPTA assets will be effective or without incremental economic cost.

U.S. Trade or Business; Account-level Taxes. The Accounts do not intend to earn income that is treated, for U.S. tax purposes, as effectively connected with a U.S. trade or business ("ECI"). Thus, the Accounts generally do not intend to be subject to regular U.S. income tax on any gain realized by an Account as a result of its investment activities, except to the extent provided herein.

A non-U.S. corporation such as an offshore Account (other than a dealer in securities) that engages in the U.S. in trading securities (including contracts or options to buy or sell securities) for its own account will not be deemed to be engaged in a U.S. trade or business as a result of such trading. Similarly, a non-U.S. corporation (other than a dealer in commodities) that engages in the U.S. in trading commodities for its own account will not be deemed to be engaged in a U.S. trade or business if "the commodities are of a kind dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place." Pursuant to proposed regulations, a non-U.S. taxpayer (other than a dealer in stocks, securities, commodities or derivatives) that effects transactions in the United States in derivatives (including (i) derivatives based upon stocks, securities and certain commodities and currencies; and (ii) certain notional principal contracts based upon an interest rate, equity or certain commodities and currencies) for its own account will not be deemed to be engaged in a U.S. trade or business. Although the proposed regulations are not final, the Service has indicated in the preamble to the proposed regulations that for periods prior to the effective date of the final regulations, taxpayers may take any reasonable position with respect to the application of the trading safe harbor to derivatives, and that a position consistent with the proposed regulations will be considered a reasonable position.

The offshore Accounts intend to conduct their business in a manner so as to meet the requirements of the trading safe harbor where applicable. A master fund's securities and commodities trading activities should not constitute a U.S. trade or business and, except in the limited circumstances discussed below, a feeder fund should not be subject to regular U.S. income tax on any of its master fund's trading profits. However, if certain of the applicable master fund's activities were determined not to be of the type described in the trading safe harbor, the master fund's activities may constitute a U.S. trade or business, in which case the feeder fund would be subject to regular U.S. federal income and branch profits tax on the income and gain from those activities. It is possible that a master fund may make investments in assets that generate ECI, but the master fund will generally not allocate those investments to the feeder fund and the remainder of this section assumes that such allocations will be respected.

Even if a master fund's securities trading activity does not constitute a U.S. trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of U.S. corporations that are, or during certain periods have been, U.S. real property holding corporations (as defined in Section 897 of the Code) ("USRPHCs"), including stock or securities of certain real estate investment trusts ("REITs"), will be generally subject to U.S. federal income tax on a net basis. However, a principal exception to this rule may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and is eligible for an exception available to persons that did not hold (and were not deemed to hold under certain attribution rules) more than 5% of the value (or, generally in the case of REITs, 10%) of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition.

It is possible that to pursue certain investment opportunities, an Account may establish one or more special purpose vehicles or entities treated as a U.S. or non-U.S. corporation for U.S. federal income tax purposes (if a U.S. corporation, a “U.S. Blocker” and if a non-U.S. corporation, a “non-U.S. Blocker”). Any U.S. Blocker formed to make such an investment generally will be subject to U.S. federal income tax at regular U.S. federal corporate rates and any applicable state and local income taxes on all of its taxable income and gain. The U.S. federal income taxation of a non-U.S. Blocker will depend on various factors, including the nature of the underlying investment. An offshore Account generally intends to take the position that non-U.S. Blockers are not engaged in a U.S. trade or business for U.S. federal income tax purposes. However, it is possible that the Service could assert and that a court would ultimately hold that certain investment activities of a non-U.S. Blocker are sufficient to cause a non-U.S. Blocker to be engaged in a U.S. trade or business. Consequently, there is a risk that one or more non-U.S. Blockers will be treated as being engaged in a U.S. trade or business. If a non-U.S. Blocker is treated as so engaged, it will be subject to U.S. federal income tax on any income that is effectively connected with a U.S. trade or business. In addition, a non-U.S. Blocker may also be subject to an additional branch profits tax of 30% on its effectively connected earnings and profits, adjusted as provided by law.

U.S. Withholding Tax. In general, an offshore Account (whether or not it conducts a U.S. trade or business) will be subject to U.S. withholding tax at a rate of 30% (or lower tax treaty rate) on the gross amount of dividends, certain interest income and certain dividend-equivalent payments on swaps and substitute dividend payments on securities lending and repurchase arrangements, if made with reference to U.S. stocks.

Taxation of Permitted U.S. Persons. Shares in an Account will be offered to (i) U.S. persons (within the meaning of the Code) (including, but not limited to, U.S. pension and profit sharing plans, and other organizations that are exempt from U.S. federal income tax on their passive income); (ii) “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act; and (iii) “qualified purchasers” as defined in the 1940 Act (“Permitted U.S. Persons”). Permitted U.S. Persons that are exempt from U.S. federal income tax, however, are subject to tax on their unrelated business taxable income (“UBTI”). A Permitted U.S. Person that is exempt from U.S. federal income tax should be exempt from tax with respect to its investment in an Account, except to the extent that a distribution from the Account would be taxable under the general UBTI provisions of the Code (for example, as debt-financed income, which would arise if a Permitted U.S. Person, itself, borrows money to make an investment in the Account). A Permitted U.S. Person that is exempt from U.S. federal income tax will be required to calculate UBTI separately with respect to each trade or business in which it has an interest and will not be entitled to use a net operating loss from one trade or business to offset UBTI from another trade or business. It is unclear how this limitation will apply to income from investments with “acquisition indebtedness.”

Offshore feeder funds expect to be treated as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. If so treated, in general, if a qualified electing fund (“QEF”) election has not been made, distributions received by a taxable U.S. shareholder from a PFIC, to the extent they exceed 125% of the average distributions received in the preceding three years, and gain recognized when the shares are sold, will be subject to a special taxing regime. Such excess distributions and gains will be allocated ratably over a U.S. shareholder’s holding period for the shares; the amount allocated to the current year will be taxed as ordinary income; and the amount allocated to any previous year will be taxable at the highest rate of tax in effect for the U.S. shareholder for that year. An interest charge also will be imposed. Any adverse tax consequences of a PFIC investment may be limited if the taxable U.S. shareholder makes a QEF election. In order to make a QEF election, a taxable U.S. shareholder must receive certain information from the feeder fund and the fund will use its commercially reasonable efforts to provide such information. Under such election, a taxable U.S. shareholder will generally be required to include currently its pro rata share of the PFIC’s ordinary earnings and net capital gain. If the shareholder later receives a distribution of that income, that distribution will be tax-free. A Permitted U.S. Person that is exempt from U.S. federal income tax will not be subject to the special tax imposed by Section 1291 upon excess distributions received by shareholders

of a PFIC, unless a dividend from the PFIC would be subject to tax as UBTI (i.e., if it were debt financed income). Under regulations proposed by the U.S. Treasury Department, U.S. beneficiaries of any Permitted U.S. Person that is a trust (other than a tax-exempt employees' trust described in Section 401(a) of the Code), including a charitable remainder trust, would generally be treated for purposes of the PFIC rules as owning their proportionate shares of such Permitted U.S. Person's interest in the Account. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

In addition, an offshore feeder fund or a foreign corporation in which it invests may be treated as a controlled foreign corporation ("CFC") for U.S. federal income tax purposes. In general, the offshore feeder fund or a foreign corporation in which it invests, will be classified as a CFC if U.S. shareholders (whether taxable or tax-exempt), each owning (directly or indirectly) 10% or more of the voting shares or value of the offshore feeder fund or such other foreign corporation, in the aggregate own more than a 50% interest in the offshore feeder fund or such other foreign corporation. If a CFC, the offshore feeder fund's or the foreign corporation in which it invests' undistributed net income would be imputed to such U.S. shareholders (for this purpose, looking through partnerships and S corporations) in advance of the receipt of any cash distributions from the fund or the foreign corporation in which it invests. In general, if the offshore feeder fund or a foreign corporation in which it invests is classified as a CFC, each such U.S. shareholder that owns 10% or more of the voting shares or value of the offshore feeder fund will be subject to this rule (and not the PFIC rules described above).

Permitted U.S. Persons may be required to file certain reports with the Service with respect to their investment in an offshore feeder fund. Among the forms that may be required to be filed are Form 926 (for transfers of more than U.S. \$100,000 to the offshore feeder fund in a twelve month period), Form 5471 (for acquisitions and dispositions by a more than 10% shareholder in the offshore feeder fund), Form 8621 (with respect to investments in a PFIC), Form 8938 (to report ownership of interests in specified foreign financial assets including a foreign investment fund such as the offshore feeder fund, generally the value of which in the aggregate exceeds U.S. \$50,000) and FinCEN Form 114 (a "FBAR") for U.S. shareholders and their officers, employees and agents who may be U.S. persons (to report financial interests in or signature authority over non-U.S. financial accounts).

As part of its campaign against abusive tax shelter activity, the U.S. Treasury Department has adopted regulations that require special filings and record retention for certain transactions that are not conventionally regarded as tax shelters. The Code imposes significant penalties on an investor for failing to comply with these filing and record keeping requirements.

Depending upon the nature of transactions effected by an Account that result in losses, when a Permitted U.S. Person that is a "United States shareholder" of an Account under the CFC rules or a 10% shareholder, by vote or value, of an Account if a QEF election has been made files its tax return, it may be required to report the Account's transactions on IRS Form 8886. A Permitted U.S. Person should consult its own tax advisors about its filing obligations with respect to its investment in the Account and should keep a copy of the Account's offering memorandum and other information supplied to it in connection with its investment. The current IRS Form 8886 requires the investor to record and report the name and address of each person to whom the Account paid a fee with regard to the transaction if that person promoted, solicited or recommended the Account's participation in the transaction or provided tax advice related to the transaction.

In addition, special U.S. federal income tax rules apply to private foundations and charitable remainder trusts. Therefore, a private foundation or charitable remainder trust considering an investment in an Account is urged to consult its own tax advisor regarding the consequences of such investment.

ERISA Plan Assets Risks

The Accounts intend to restrict the acquisition of investments by Benefit Plan Investors in the Accounts in order to avoid the treatment of assets of an Account, and where applicable, Master Fund, as “plan assets”. However, there can be no assurance that an Account will be treated as not holding “plan assets” of investing plans as each Account reserves the right to allow more than 25% of the value of any class of interests or tranches of an Account to be held by Benefit Plan Investors.

If the assets of an Account were deemed to constitute the assets of an investing Benefit Plan Investor, the operation and administration of such Account, and the duties, obligations and liabilities of the Investment Manager, would be subject to the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code. Specifically, in such circumstances, certain investments by an Account may not be permitted, and transactions between Accounts and the Investment Manager or their respective affiliates may be prohibited transactions or need to be restructured. Moreover, the fiduciary causing the Benefit Plan Investor to make an investment in shares/interests could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor to the Investment Manager, and, to the extent such delegation was improper, the fiduciary could be liable, either directly or under the co-fiduciary rules of ERISA, for the acts of the Investment Manager.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in each Account or the application of the investment strategy. Each Account's Offering Memorandum or other supplemental disclosure document contains additional information with respect to the risks to which each Account will be subject. In addition, the Investment Manager maintains, on behalf of each Fund, a due diligence questionnaire that may include more current information concerning certain risks and other information relating to each Fund, including specific litigation and regulatory information. Each Fund's then-current due diligence questionnaire is available to all investors upon request.

ITEM 9

DISCIPLINARY INFORMATION

From time to time the firm and/or its principals are or may be subject to civil litigation. No such litigation has or is expected to result in an adverse disposition. On December 18, 2015, the United States District Court for the District of Columbia entered a final judgment (“2015 Final Judgment”), to which the parties had stipulated and consented, that specifies circumstances when Third Point must file a notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR Act”), requires Third Point to maintain an HSR Act compliance program and designate a compliance officer to achieve compliance with the 2015 Final Judgment, and allows the DOJ certain access and inspection rights for the purpose of determining compliance with the 2015 Final Judgment. The 2015 Final Judgment does not include a monetary fine or, in the Adviser’s judgment, place Third Point under any material limitations in its present or future investment activities. All undertakings set forth in the 2015 Final Judgment have been satisfied.

The Hellenic Capital Markets Commission (“HCMC”) identified that TP Lux Holdco SARL sold short shares of publicly traded securities that were not yet approved to be listed for trading by the Athens Exchange during the period May 2, 2014, through May 9, 2014. As a result, the HCMC issued a decision against TP Lux Holdco SARL, imposing a fine of EUR87,200 on Lux Holdco on the basis that it sold the Shares in breach of article 12 (1.b) of EU Regulation 236/2012 on short selling and of recital 8 and article 5 (1.e) of EU Regulation 827/2012 (the “Regulations”). The issue was finalized on November 19, 2018.

On December 10, 2019, the United States District Court for the District of Columbia entered a final judgment (“2019 Final Judgment”), to which the parties had stipulated and consented, that imposes a monetary civil penalty of \$609,810 against Third Point, specifies circumstances when Third Point must file a notification under the HSR Act, and allows the DOJ certain access and inspection rights for the purpose of determining compliance with the 2019 Final Judgment. On December 18, 2019, Third Point LLC, also a defendant in the action resolved by the 2019 Final Judgment, paid the \$609,810 single civil penalty ordered against Third Point Offshore Fund, Ltd., Third Point Ultra Ltd., and Third Point Partners Qualified L.P.

The DOJ had alleged in its Complaint that three funds controlled by Third Point acquired the voting securities of Dow Inc. prior to its merger with E.I. du Pont de Nemours & Company. In connection with the acquisition of the Dow shares, the three funds made the required HSR filings. Once the merger was finalized on August 31, 2017, the Dow shares converted to shares of the newly formed DowDuPont Inc. According to the FTC’s position, as a result of that conversion, the Third Point funds were required to make another HSR filing for the shares of the newly formed company. The three Third Point funds made corrective filings with the federal antitrust authorities on November 8, 2017, and the waiting period for those corrective filings expired on December 8, 2017.

Third Point is required to comply with the terms of the 2019 Final Judgment during the five years starting on December 10, 2019, unless either (a) after three years from the date of entry, the 2019 Final Judgment is terminated upon notice by the DOJ to the Court and to Third Point that the civil penalty has been paid and that the continuation of the Final Judgment is no longer necessary or in the public interest, or (b) a specified event occurs before the expiration of such five-year period, in which case the 2019 Final Judgment may be terminated upon the occurrence of such event and upon notice by the DOJ, to be provided in DOJ’s sole discretion after receiving a request from Third Point to do so, to the Court that the continuation of the 2019 Final Judgment is no longer necessary or in the public interest. The 2019 Final Judgment does not, in the Adviser’s judgment, place Third Point under any material limitations in its present or future investment activities.

The Investment Manager is not aware of any other material administrative, civil or criminal actions against the Investment Manager or the Accounts.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain inherent conflicts of interest arise from the fact that the Investment Manager, the General Partner and their respective affiliates, owners, members, principals, officers and/or employees (collectively, the “Third Point Group”) provide investment management services to different Accounts.

We do not have an affiliated broker-dealer. Nevertheless, we may have certain relationships with, and receive certain benefits from, non-affiliated broker-dealers that may pose a conflict of interest when selecting and using broker-dealers. Examples of such relationships and benefits include, but are not limited to: (i) referral or recommendation of investors; (ii) personal investments by a registered representative of a broker-dealer in funds we manage; (iii) access to an electronic communication network for order entry and account information; (iv) receipt of proprietary research; and (v) participation in broker-dealer sponsored research and capital introduction conferences.

While the Investment Manager will generally provide similar recommendations to investments held by, or transactions of, Accounts that have similar or overlapping investment objectives, at times, the Investment Manager may provide recommendations or take action with respect to the investments held by, and transactions of, an Account that may differ from the recommendations provided or the timing or nature of any action taken with respect to the investments held by, and transactions of, other Accounts, or may be detrimental to the interests of an Account, due to a variety of reasons. While certain Accounts often have similar or overlapping investment objectives, there can be no assurance that any Account with similar investment objectives, programs or strategies will hold the same positions, obtain the same financing or perform in a substantially similar manner as the other Accounts.

Varying compensation arrangements as between the Investment Manager and its affiliates on the one hand, and the Accounts on the other hand, including the differences between the Management Fees and Incentive Allocation applicable to each Account could incentivize the Investment Manager to devote amounts of time to certain Accounts that may differ from the amount of time devoted to other Accounts.

“Proprietary” capital (investments by the Third Point Group) will not necessarily be allocated to all Funds, will not necessarily be allocated based on the respective net asset values (or committed capital) of such Funds, may be (and in fact, often are) more concentrated in certain of such Funds, and may be “shifted” among such Funds from time to time without providing any notice to investors.

The Investment Manager serves as the investment manager to the Accounts and will devote only such time to the business of each Account as, in its sole discretion, it determines to be necessary and appropriate. In addition, certain members of the Third Point Group are, and in the future may become, involved in other business ventures, depending on the policy of the Investment Manager with respect to such venture. For the avoidance of doubt, such business ventures may not be related to the business of and may place competing demands on the time certain members of the Third Point Group devote to the Fund and on other resources.

The Investment Manager will generally select each Account’s service providers. From time to time the independent members of the Fund’s Board of Directors, Unaffiliated Consultation Committee or Limited Partner Advisory Committee, as applicable, will review certain service providers selected by the Investment Manager for each applicable Account. In addition, service providers may provide services to both certain Accounts and one or more members of the Third Point Group. While such arrangements have the potential to give rise to conflicts of interest, the Investment Manager will attempt to ensure that service provider selection for the Account is not impacted by any provision of services to members of the Third Point Group and that an Account does not effectively subsidize the costs of such services. Furthermore, members of the Third Point Group may be related to (by blood, marriage or otherwise), or may be personal friends with, the

Fund's service providers or their respective owners, members, principals, officers or employees. The Investment Manager addresses these conflicts of interest by, in consultation with the Investment Manager's compliance committee, taking reasonable measures to ascertain whether each service provider is qualified and appropriate to provide its services in a manner that serves the best interests of the Account(s), taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers satisfying the Investment Manager's service provider selection criteria. Service providers of the Accounts are compensated for their services pursuant to the terms of their relevant engagements. In 2018, and as previously disclosed to investors in the applicable Hedge Funds, the Investment Manager, following review and approval by the applicable Hedge Funds' Board and/or Unaffiliated Consultation Committee, entered into an agreement with a service provider in connection with the management of real property owned by the applicable Hedge Funds as a result of foreclosures on underlying debts held in their ABS portfolio in the ordinary course of business. The sole owner of the service provider is also an indirect partial owner of Trawler Capital Management LLC (d/b/a) Third Point Private CRE Credit LLC, a Third Point LLC affiliate, that specializes in commercial real estate debt investments, and a Third Point LLC employee (See Item 2).

Before Third Point considers engaging a third-party service provider on behalf of the Accounts, all employees must notify the Chief Compliance Officer of any conflicts or relationships that employees or family members of employees have with the service provider under consideration. If any employee(s) has a relationship with any service provider prospect, that potential conflict is taken into consideration in determining the merits of engaging such service provider. Notwithstanding the foregoing, the Investment Manager's policy is to generally allocate service providers for the Accounts on the basis of best execution, or otherwise in the best interest of the Accounts.

On August 2, 2017, the Private Real Estate Fund entered into an agreement (the "Revolver") a private investment vehicle of Daniel Loeb ("Loeb Investment Entity"), and as such an affiliate of the Adviser and an affiliate of the general partner of the Private Real Estate Fund, whereby the Loeb Investment Entity may advance to the Private Real Estate Fund up to \$10 million or more if agreed to by the Loeb Investment Entity on a revolving basis, at the Private Real Estate Fund's request. A primary purpose of the Revolver is to provide the Private Real Estate Fund with efficient cash management capabilities and additional capital to seed its portfolio with investments that meet the Fund's investment criteria as the Fund continues to raise additional capital. To the extent the Fund draws funds on the Revolver, the Loeb Investment Entity will charge the Private Real Estate Fund interest in an amount equal to the current pay rate less 50 basis points per annum collected on the underlying investment which relates to the advance made under the Revolver (but not less than 8.50% per annum). The Private Real Estate Fund anticipates it will generally earn 50 basis points of interest income per annum on each investment that is made which relates to an advance made under the Revolver. As the Private Real Estate Fund receives new capital commitments and calls additional capital, funds previously drawn on the Revolver are anticipated to be repaid, if required. Any amounts collected pursuant to the Revolver by the Loeb Investment Entity will not be considered Fee Income as described in the limited partnership agreement of the Private Real Estate Fund and such amounts will not offset the management fee or incentive allocations due from the Private Real Estate Fund.

In addition, the Loeb Investment Entity is an investor in the Private Real Estate Fund, whereby its capital can be rotated out of the Private Real Estate Fund and reduced utilizing new investor capital that is contributed, so long as the Loeb Investment Entity maintains a minimum commitment of \$10 million. The Loeb Investment Entity does not pay any management fees or performance-based fees, and any such fees have been waived.

We serve as an adviser to private investment funds and certain other Accounts. We are also a related person to the general partners of certain funds.

Investment Advisers

- Third Point LLC
- Trawler Capital Management LLC (d/b/a) Third Point Private CRE Credit LLC (Relying Adviser)

General Partners

- Third Point Advisors L.L.C.
- Third Point Advisors II L.L.C.
- Third Point Investment I GP LLC
- TCM CRE Credit GP LLC (d/b/a) Third Point Private CRE Credit GP LLC
- Third Point Venture GP LLC
- Third Point Venture GP II LLC

Domestic Funds

- Third Point Partners, L.P.
- Third Point Partners Qualified, L.P.
- TCM CRE Credit Fund LP (d/b/a) Third Point Private CRE Credit Fund LP
- Third Point Insurance Dedicated Fund LP
- Third Point Structured Credit Opportunities Onshore Fund LP
- Third Point Ultra Onshore LP
- Third Point Venture Fund I LP
- Third Point Venture Fund II LP

Offshore Funds

- Third Point Enhanced LP
- Third Point Investors Limited
- Third Point Offshore Fund, Ltd.
- Third Point Offshore Master Fund L.P.
- Third Point Structured Credit Opportunities Master Fund LP
- Third Point Structured Credit Opportunities Offshore Fund LP
- Third Point Ultra Ltd.
- Third Point Ultra Master Fund L.P.
- Third Point Venture Investing Entity I LP
- Third Point Venture Offshore Fund I LP
- Third Point Venture Offshore Fund II LP

Separately Managed Account

- SiriusPoint Ltd

ITEM 11

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

Code of Ethics

We have adopted a code of ethics (“Code of Ethics”) which is designed to foster compliance with the applicable federal statutes and regulatory requirements, prevent circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading or unethical business conduct as well as promote a culture of high ethical standards. Among other things, the Code of Ethics governs personal securities trading by our employees. Generally, no employee may personally trade any security (with the exception of certain securities such as U.S. government obligations, cash equivalents, money market funds, open-end mutual funds, unit investment trust, corporate bonds, preferred securities, structured debt, limited mortgage bonds, master limited partnerships, certain broad-based exchange traded funds, private investments, cryptocurrencies and other digital assets, etc. (“Exempt Security” or “Exempt Transaction”). For some of the Exempt Securities or Exempt Transactions, Employees must pre-clear any trades. In limited exception situations (primarily due to economic hardship), employees may trade in other securities but only subject to compliance pre-approval.

The Code of Ethics also requires employees 1) to report personal transactions on a quarterly basis, 2) to file annual personal account disclosures and report securities holdings; and 3) to certify their compliance with the Code of Ethics on a quarterly basis.

Certain members of the Third Point Group may from time to time be presented with opportunities to make private investments. In such circumstances, subject to the approval of the Investment Manager’s Chief Compliance Officer, such member(s) may be permitted to make such investments. Circumstances in which such approval may be granted include, but are not limited to, where the opportunity to invest was not offered to an Account or the opportunity does not meet, in the Investment Manager’s determination, the criteria for eligible venture capital or private equity investments. Such opportunities include investments in investment advisory businesses and other businesses that may be deemed to be competing with an Account. In limited circumstances, following an investment by a member of the Third Point Group in an opportunity in accordance with the above procedures, the Investment Manager may subsequently have the opportunity to invest in such opportunity (e.g., in a subsequent “round” of financing). At such time, the Investment Manager may determine that it is now appropriate for an Account to invest in such opportunity (for example, if the investment opportunity when initially presented did not satisfy the criteria referred to above, but subsequently satisfies such criteria). In such a situation, an Account may invest in such opportunity and the Investment Manager may, in its sole discretion, permit the original investing member to retain his or her investment in such opportunity and exercise any rights such member may have to make any additional investments in such opportunity, subject to any terms or conditions the Investment Manager deems appropriate to protect the Account’s interests.

Restrictions Due to Insider Information

We forbid employees from trading, either personally or on behalf of others (including client accounts managed by Third Point), on material non-public information or communicating material non-public information (“inside information”) to others in violation of the federal securities laws. This conduct is frequently referred to as “insider trading”. We have designed and implemented policies and controls in order to monitor the flow of inside information as well as prevent trading on the basis of inside information.

A copy of the Code of Ethics is available upon request.

Participation or Interest in Client Transactions

Third Point, its affiliates and their respective personnel may invest in the Accounts and in securities or other assets in which the Accounts invest subject to applicable law and the firm's Code of Ethics.

Third Point, its related persons and employees may have financial interests in one or more of the Accounts either as direct investments, carried interests, indirectly through intermediaries or through the rights of deferred compensation under a deferred incentive fee agreement that Third Point or its related person may have with certain of its Accounts (all such interests will be referred to herein as "proprietary interests"). In some cases, such proprietary interests may exceed 25% of each total Account so that such Account may be deemed to be a proprietary account.

For purposes of rebalancing Account portfolios with similar investment strategies, we periodically, through unaffiliated broker-dealers and at the market price, may dispose of a particular security from one Account and acquire it for another by crossing the trade among one or more Accounts in order to minimize transaction and market impact costs ("Rebalancing"). Whenever such Rebalancing are effected between Clients that include a proprietary account, such transactions are reviewed by an independent party, which may include independent directors of any incorporated Account to approve such transactions in order to address potential conflicts of interests.

ITEM 12

BROKERAGE PRACTICES

The primary consideration in placing portfolio securities transactions with broker-dealers for execution is to obtain, and maintain the availability of, execution at the best net price available and in the most effective manner possible. In selecting broker-dealers to execute transactions and evaluating the reasonableness of the brokerage commissions paid to them, consideration will be given to the following: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution; the financial strength, integrity and stability of the broker dealer; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of research services available through the broker-dealer; and the competitiveness of commission rates in comparison with other broker-dealers satisfying Third Point's other selection criteria. We generally seek competitive commission rates, but we will not necessarily pay the lowest commission available. Trading costs are measured and monitored by the Brokerage Committee which reviews, among other things, the costs and quality of executing brokers.

Research and Other Soft Dollar Benefits

We have entered into soft dollar arrangements where brokerage commissions executed through certain broker-dealers are used to generate "soft dollars" to pay for brokerage and research services used by Third Point on behalf of the Accounts (excluding the Private Real Estate Fund). In accumulating soft dollars, we "pay up" or more than the lowest available commission. Our intention is for the soft dollar arrangements to be within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934. These arrangements may be with Soft Dollar Brokers that provide proprietary research directly or through third party arrangements where the Soft Dollar Services are developed by third parties and the Soft Dollar Broker participates in effecting the transaction. Some of the Soft Dollar Services include: newswire and quotation systems; research reports and information on companies, industries and securities; economic, financial and market data; economic surveys and analyses; recommendations as to specific securities; and consultants that provide specialized data or analysis to specific companies or sectors.

If less than 100% of a product or service is used for assistance in our decision-making process, we will consider the product as a "mixed-use" product. With mixed-use products, we will make a good-faith allocation between the research and non-research benefits and will use commissions to pay for only that portion of the product used to formulate investment decision and will pay for the remainder in hard dollars. With mixed-use products, we may have a conflict of interest when determining the allocation of good faith allocation of costs between research and non-research benefits particularly in circumstances where the non-research benefits are not expenses paid for by the Accounts.

These services or products would otherwise only be available to us for a cash payment. To the extent we utilize commissions to obtain items that would otherwise be an expense of the Registrant (and not payable by the Accounts), such use of commissions could be viewed as additional compensation to Third Point. This may create a potential conflict of interest between our fiduciary duty to operate the Accounts in their best interest and the desire to receive or direct these soft dollar benefits. As a result of receiving such services or products, there is an incentive for us to use, and continue to use, such brokers and dealers to effect transactions for the Accounts over which we exercise trading discretion so long as such brokers and dealers continue to provide us with such soft dollars credits.

We have adopted procedures to monitor all soft dollar activities and maintain effective controls. Brokerage and research services paid by one Account may be used to benefit all the Accounts. We do not allocate the relative costs or benefits of research among the accounts because we believe that the research received is

fulfilling our overall responsibilities to our clients.

We also have commission sharing arrangements whereby soft dollars, which have been generated, are paid to brokers who have provided research services in the past, in lieu of trading with those brokers.

On some occasions, we may separate orders and send them to different executing brokers. This may result in two separate batch or block trades at approximately the same time for the same securities, which may be executed at different prices or at different brokerage commission rates from one another. This may result in less favorable pricing or commission rates than if they had been executed using block or batch trades.

Our personnel may receive or give certain gifts from or to broker-dealers or other persons with whom we do business. This may include such things as tickets to sporting events, meals and other entertainment, transportation, attendance at seminars or other educational training or informational events, logo items and other items of small value, gifts associated with life events such as birthdays, weddings, anniversaries, and other gifts of more substantial value. The receipt of such gifts and gratuities might be viewed as causing a conflict of interest for us in selecting brokers and dealers and other service providers. Our policy prohibits employees from accepting valuable gifts or entertainment that is not reasonable under the circumstances from any person or entity that does or seeks to do business with or on behalf of Third Point or its clients. Employees are prohibited from accepting gifts of cash or cash equivalents. Employees are also required to pre-clear gifts exceeding certain thresholds, as well as report, on a quarterly basis, the receipt of gifts and entertainment exceeding minimum reporting requirements.

From time to time we may participate in certain broker-dealer's charity day programs. We may elect, on a specified day, to execute certain trades through the sponsoring broker-dealer and permit it to use a portion of the commissions for charitable purposes, including donations to other broker-dealers that may need assistance in natural disaster recovery efforts. However, under such circumstances, we use our best efforts to ensure that commissions paid are consistent with best execution.

On occasion, we may engage in a "step-out" transaction in which we may send part or all of a commission in respect of a transaction to one broker while the transaction is executed by a different broker.

Trade Error Policy

Gains and losses occasioned by trade errors, whether due to the Adviser, an Account's brokers or counterparties or a combination thereof, will be income or expense of the Accounts, provided the Adviser, in connection with such trade error, acted with the standard of care necessary for exculpation and indemnification of the Adviser under the respective investment management agreement or offering memorandum.

Directed Brokerage

A managed account client may direct us to utilize a particular broker-dealer to execute some or all transactions for the client's account. In such circumstances, the managed account client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. We will not seek better execution services or prices from other broker-dealers or be able to aggregate the managed account client's transactions, for execution through other brokers-dealers, with orders for the Accounts or the other managed account we manage. As a result, we may not obtain best execution on behalf of such directing managed account client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Allocation of Investment Opportunities

Certain Accounts have investment objectives, programs, strategies and positions that are similar, in whole or in part, to those of other Accounts, while others may conflict or compete with, or have interests adverse to, such Accounts. It is the policy of the Investment Manager to allocate, in good faith, new investment opportunities fairly and equitably over time. Such allocations may be made considering such factors as the Investment Manager determines to be relevant in its sole discretion, including, without limitation, each Account's interests, investment objectives and restrictions, the amount of leverage to be used, the size of each applicable Account, the size of any applicable portfolio company, risk/return profiles, concentration, portfolio diversification, expected liquidity, tax considerations and other macro and micro factors. In addition, certain Accounts have priority with respect to investment opportunities that may be appropriate for one or more other Accounts. The Investment Manager has adopted procedures to help ensure that allocations do not reflect a practice of favoring or discriminating against an Account or group of Accounts. Account performance is never a factor in trade allocations. When possible, orders in the same security are generally placed on an aggregated basis and typically allocated based on the target allocation (taking into account leverage and such other factors described above) of each participating Account, which may at times reduce the number of securities available for purchase by an Account. The Investment Manager may, however, increase or decrease the amount of securities allocated to an Account to avoid holding odd-lot shares for particular Account(s) or based on such factors and considerations as the Investment Manager determines to be relevant in its sole discretion (including those described above). Each Account that participates in an aggregated order will generally participate at the same share price for each order in that security, and transaction costs generally will be shared pro rata based on each Account's participation in such transaction. Without limiting the generality of the foregoing, the Investment Manager generally manages the Accounts employing substantially the same investment strategies on a parallel pro rata basis, subject, but not limited, to each Account's varying interests and stated investment objectives, including the amount of leverage to be used, restrictions, expected liquidity and tax considerations. In addition, for tax, regulatory, operational, administrative or similar reasons, an Account may create a special purpose vehicle to hold one or more investments of such Account. Any such special purpose vehicle will (i) not be considered an Account and (ii) not trade on a parallel basis with any other Accounts (except with respect to such investments held by such special purpose vehicles). The business of the Investment Manager is dynamic and Accounts may conflict or compete with each other in a manner not contemplated herein. The Investment Manager may elect to deviate from the investment allocation methodologies described herein if they determine that it is necessary, advisable or convenient to do so in light of the foregoing or similar considerations.

ITEM 13

REVIEW OF ACCOUNTS

Position Reviews: We perform various daily, weekly, monthly, quarterly, and other periodic reviews of all Accounts. Our investment and business teams conduct reviews on a regular basis for, among other things, exposures, trade allocations, execution and commissions paid on security transactions, performance comparisons, investment objectives, guidelines and restrictions.

In addition, each Account's third-party administrator ("Administrator"), other than the Private Real Estate Fund, provides daily reviews and reconciliations of cash, positions, and activity to prime brokers to validate that all transactions were executed as initiated and accounted for in a proper manner. Daily profits and losses are reconciled by Adviser back to the Administrator. On a daily basis, the Administrator reports reconciliation breaks for resolution by our Operations group. The monthly net asset value calculations are prepared by the Administrator and reviewed by our accounting group.

The Private Real Estate Fund's Administrator provides monthly reviews and reconciliations of cash, positions and activity to loan origination funding/closing statements and other transactions in the fund.

Investors in each Account, other than the Private Real Estate Fund, receive monthly capital account statements for their investment as well as monthly and quarterly written updates of activity in their Account and the relevant markets. Investors in the Private Real Estate Fund receive quarterly unaudited financial statements and various other periodic reports as required by the applicable governing documents. Fund Investors also receive annual audited financial statements of the Fund in which they are invested.

ITEM 14**CLIENT REFERRALS AND OTHER COMPENSATION**

We may receive certain economic benefits from broker-dealers and prime brokers whom we conduct business with that might not be received otherwise. These benefits may include (i) access to an electronic communication network for order entry and account information, (ii) proprietary research and (iii) participation in sponsored research and capital introduction services. While these services are generally provided at no additional cost, we may select certain broker-dealers due to receipt of such services. We understand that the benefits received through these relationships generally do not depend upon the number of transactions directed to or the amount of assets custodied.

We compensate certain third parties that refer certain clients to us. Compensation is based upon a percentage of the management and/or incentive fees. We do not charge any portion of the compensation paid to the third parties to clients. Any of such clients placed with the firm by one of such third parties may pay fees to the third party (and not to us) that are separate and in addition to an Account's management and incentive fees.

ITEM 15**CUSTODY**

We may be deemed to have constructive custody of certain client assets as a result of fee payments or the service of certain affiliates as general partners to certain Accounts. Actual custody of client assets, however, is at a broker-dealer, bank or trust company, not with us. Accounts are reconciled, via statements provided by the counterparties and internal proprietary systems, at least weekly between us, the Account administrator and each counterparty. Any breaks are resolved as soon as possible. Wherever possible, the Investment Adviser maintains clients' Digital Assets with qualified custodians. Digital Assets are also held at exchanges, which take various measures to provide safekeeping for the assets held by those exchanges. The Investment Adviser conducts due diligence on such exchanges prior to utilizing such services. We review our use of prime brokers and custodians periodically and may change them without notice. As such, investors in the Accounts, other than the Private Real Estate Fund, receive capital account statements on a monthly basis directly from the Accounts' Administrator. Investors in the Private Real Estate Fund receive monthly valuation notices directly from the fund's administrator. Investors should carefully review all account statements.

ITEM 16**INVESTMENT DISCRETION**

We provide investment advisory services to our clients on a discretionary basis in a manner consistent with each Account's investment objectives and restrictions, as set forth in the governing agreements and documents. In providing discretionary investment advisory services, we generally supervise and manage the Account's portfolio and make investment decisions, without consulting the investors.

ITEM 17**VOTING CLIENT SECURITIES**

Our written policies and procedures require us to vote the Account's proxies in the interest of maximizing shareholder value. Votes on all matters are determined on a case-by-case basis. We may choose not to participate in a particular proxy, to take no action or not vote if we conclude that the effect on investors' economic interest or the value of the portfolio holding is indeterminable or insignificant, the potential benefit of voting is outweighed by the cost, or when it is not in the Account's best interest to vote. Our Analysts are responsible for the recommendation, the CEO or COO, or in limited circumstances their designee, approves the Analyst's recommendation and the Operations group executes the vote.

Our proxy voting policies and procedures also include guidelines which Registrant follows if a material conflict arises between the Registrant and the company that is the subject of the proxy or a proponent of a proxy proposal.

Records of proxy materials and votes are maintained in our offices. A complete copy of our proxy voting policies, procedures and prior voting history are available to investors upon request.

ITEM 18**FINANCIAL INFORMATION**

This section is not applicable to the Adviser.