

Squarepoint OPS LLC

Form ADV Part 2A

Firm Brochure

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This brochure provides information about the qualifications and business practices of Squarepoint OPS LLC. If you have any questions about the contents of this brochure, please contact us at (646) 868-1500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Squarepoint OPS LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

ITEM 2 - MATERIAL CHANGES

This annual update to our Brochure amends the Brochure dated March 2024.

This Brochure has been updated to reflect changes made to the following section(s):

Item 4 – Advisory Business

- Office locations have been updated.
- Total Regulatory Assets Under Management has been updated.

Item 7 – Types of Clients

- Minimum investment amount for Funds has been updated taking into account amounts applicable to new Funds.
- Types of services updated.

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

- Additional disclosures on potential risks from new regulations such as Private Fund Adviser Rule, Dealer Rule and usage of Artificial Intelligence by the Group.

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ITEM 4 - ADVISORY BUSINESS

Squarepoint OPS LLC (“OPS”) is a Delaware limited liability company, with its principal place of business in New York, New York, and was formed in April 2014. OPS together with its affiliated entities, including Squarepoint Capital LLP (“UK OpCo”) and Squarepoint Operations Private Limited (“Singapore OpCo”), and certain non-advisory affiliates form the “Squarepoint Group”. UK OpCo and Singapore OpCo are relying advisers to OPS and therefore are parties to this brochure, and all three collectively referred to as “the OpCos”.

On December 16, 2014, OPS, along with certain affiliated entities, was acquired from Barclays Bank PLC (“Barclays”) by entities owned by key management personnel who previously had operated a systematic global trading business within Barclays.

The Squarepoint Group’s majority owners are Olivier Durantel, Antoine Fillet, Maxime Fortin and Grégoire Schneider. The Squarepoint Group has its main offices in New York, London, and Singapore. There are also offices in Paris, France; Zug, Switzerland; Geneva, Switzerland; Montreal, Canada; Bangalore, India; Dubai, United Arab Emirates; Madrid, Spain; Houston, Texas; Boston, Massachusetts; Los Angeles, California; Hong Kong and Jersey.

The Squarepoint Group provides investment advisory services to certain privately offered pooled and non-pooled investment vehicles (the “Funds”) as well as research and advisory services to corporate clients.

Non-advisory affiliates, including Squarepoint Services UK Limited, Squarepoint Services Singapore Pte. Ltd, Squarepoint Services US LLC and Squarepoint Services Jersey Limited (together “Squarepoint Group Service Entities” or “SGS”), provide treasury, accounting, legal, tax, risk, compliance. operations, technology, human resources, quantitative research and development, and other corporate consultancy services (collectively “Non-Advisory Services”) across entities within the Squarepoint Group as well as to the Funds and to corporate clients pursuant to one or more written agreements.

The Funds, with respect to which the Squarepoint Group provides investment advisory services, are each managed according to the investment objectives and policies set forth in their respective offering materials using systematic and semi-systematic models to trade a variety of asset classes and financial instruments globally. Aside from non-pooled investment vehicles, OPS does not tailor the Funds’ investment programs for any particular Fund investor. The investment management agreements of the Funds, the private placement/offering memoranda and other governing documents of the Funds are collectively referred to in this document as “Governing Documents”.

The Funds are formed as either standalone structures, master-feeder structures, or similar structures and investment activities are primarily conducted at the master fund or equivalent level. For tax, regulatory or other reasons, Funds can effect their investment activities indirectly by investing through one or more trading vehicles operated by the Squarepoint Group from time to time. Further, certain standalone funds, non-pooled funds and master funds invest in other commingled funds managed by the one or more of the OpCos. Please see Item 6 Performance Fees and Side by Side Management for details covering additional related potential conflict disclosures including cash management practices.

OPS is appointed as the investment manager of the Funds and has overall responsibility for the discretionary investment management of the Funds’ portfolio. OPS has appointed UK OpCo and Singapore OpCo as sub-managers to conduct discretionary management functions on behalf of the Funds during respectively the UK and Singapore business hours. In such circumstances, such investment activities of UK OpCo and Singapore OpCo in relation to the investment management of the Funds are subject to the overall control and responsibility of OPS. OPS monitors and has the right to instruct UK OpCo and Singapore OpCo in relation to their management of the portfolios of the Funds.

OPS also monitors the risk profiles of the Funds' portfolios against global parameters and has the power to require UK OpCo and Singapore OpCo to take remedial action if needed.

UK OpCo is authorized and regulated by the Financial Conduct Authority of the UK. Singapore OpCo is authorized and regulated by the Monetary Authority of Singapore ("MAS") and is also registered with the Kanto Local Finance Bureau in Japan as a "high speed trade operator".

Each of OPS, UK OpCo, and Singapore OpCo performs its functions primarily by placing investment orders with counterparties within the region covered by that advisor (the Americas for OPS, the Europe, Middle East, and Africa ("EMEA") region for UK OpCo, and the Asia and Pacific ("APAC") region for Singapore OpCo.)

The resources of each master fund form a single pool of collateral available to the OpCos for purposes of their trading activities. Rather than making a defined amount of the collateral pool available to each OpCo, each OpCo is subject to the global position and risk limits determined by OPS.

OPS does not manage any assets on a non-discretionary basis. As of December 31, 2023, OPS had approximately USD 126,503,267,069 of regulatory assets under management. This figure does not disregard Funds' investments in other Funds.

ITEM 5 - FEES AND COMPENSATION

Fees and expense payable to the Squarepoint Group for management and advisory services are set out in the applicable Governing Documents of each fund, and investors should refer to these Governing Documents for a full description of relevant fee calculation methodologies and expense mechanisms. These will generally include a management fee, a performance-based fee and can also include advances or re-imbursements for expenses incurred by the Squarepoint Group.

Management Fees

For certain Funds, Squarepoint Group receives a management fee based on the net asset value of that particular Fund, up to 2% per annum. Management fees are generally paid quarterly in advance.

Performance-Based Compensation

Squarepoint Group receives performance-based compensation, which is compensation that is based on a share of income, capital gains or capital appreciation of the assets of a particular fund, over a specified period and can also be subject to a high water mark as well as other adjustments, some of which are detailed below.

Investors should note that performance allocations where OPS is entitled to receive a proportion of the income generated ("Income Performance Allocation" or "IPA") by certain assets held by a Fund (the "Shared Income Funds", or "SI Funds") can create a conflict of interest for the OpCos in managing these SI Funds. The OpCos have the authority to allocate more of the Funds capital to assets that qualify for the shared income performance allocation as opposed to investing in other assets that do not pay this performance allocation. This income received regardless of the overall performance of the Fund. To manage this conflict, IPA's are subject to sliding scales and reduce as proportion of the income received, the more income is generated.

For certain funds, the performance-based fees are subject to a floor based on a percentage of the assets under management for those funds. Any compensation received due to the fee floor that is over and above the performance achieved by the manager for a specified period can be recouped from future performance fees. Additionally, performance-based fees are generally paid annually, whereas AUM based fee floors are paid quarterly. As a consequence of this feature, should an investor in the fund redeem or be redeemed during periods when the floor has been in force and prior to any amounts being recouped, any such amounts would not be payable to the investor.

As noted further below, when sub-delegation agreements have been entered into with unaffiliated parties, any incentive and management fees agreed with the third-party adviser will be borne by relevant Funds. For all such Funds, the performance-based fees due to OPS will be based on the performance of the third-party adviser net of any such agreed incentive and management fees.

Squarepoint Group has, and may in the future, waive, reduce, or modify the performance-based compensation for a Fund (or any investor therein, as applicable).

Expenses Passed Through

As compensation for services provided in respect of certain Funds ("Expense Pass Through Funds", or "EPT Funds"), OPS is entitled to receive certain advances and reimbursements of Squarepoint Group operating expenses that have been agreed between those EPT Funds and the Squarepoint Group. Operating expenses that qualify for this treatment are related to the operations of the Squarepoint Group and may or may not be of benefit to the EPT Funds. Payments in respect of these amounts will be made by such Funds to OPS (or another member of the Squarepoint Group as directed by OPS) and

distributed amongst the Squarepoint Group as determined by OPS.

In such circumstances, and as described in their Governing Documents, all expenses incurred by OPS, with the exception of variable remuneration and taxes thereon of full-time employees and consultants, shall be borne by the EPT Funds and allocated to some but not all classes of shares issued by each EPT Fund.

Share classes that are not allocated such expenses include Management Shares, and any holders of any such class of share will not indirectly bear these costs (see also Item 7). For the avoidance of doubt, variable remuneration paid to the Squarepoint Group partners and employees, if any, shall be paid solely by the Squarepoint Group. Determinations of such expense allocations across applicable share classes and Funds are made by OPS acting in its good faith and reasonable discretion. Notwithstanding the foregoing, certain shares restricted to Squarepoint Group staff will at times bear expenses related to other investment products of the Squarepoint Group and on a greater than pro rata basis. This results in certain resources utilized by the Non-EPT Funds being subsidized by the EPT Funds.

These expenses can be paid initially by the EPT Funds or the Squarepoint Group. To the extent that such amounts are paid by the Squarepoint Group they will be reimbursed by the EPT Funds as described below. Such reimbursement payment will be made to OPS or such other member(s) of the Squarepoint Group at the direction of OPS.

Payments by the EPT Funds in respect of Squarepoint Group expenses will be deducted by OPS out of the assets of the applicable Funds up to two quarters in advance, based on OPS' budget projections and subject to a true up at the end of each quarter. Certain unanticipated or non-ordinary course Squarepoint Group operating expenses and the full amount of Squarepoint Group capital expenditure attributable to the EPT Funds' investment-related activities will be advanced by EPT Funds on request by OPS in advance of becoming due or as soon as practicable after incurrence. Advances by the EPT Funds of amounts in respect of Squarepoint Group capital expenditure will only be deducted from the assets of the EPT Funds as they are amortized by the Squarepoint Group. As described in the relevant Governing Documents, certain operating expenses are subject to a per annum cap.

The EPT Funds will also advance to the Squarepoint Group and other Squarepoint Service Providers from time to time, on an interest-free basis, such amounts as they may require to make deposits (whether in cash, by providing a letter of credit or otherwise) or to provide for office fit outs in connection with real estate used or to be used in their operations. In addition, the EPT Funds will pay to the Squarepoint Group and other Squarepoint Service Providers such amounts as they may require to ensure that they at all times maintain sufficient regulatory capital as required by applicable law and regulation in relation to their businesses.

Investors should note that differing fee structures between EPT Funds and those that are not EPT Funds ("Non-EPT Funds") have the potential to create a conflict of interest for Squarepoint in managing the Funds. Squarepoint has the right to pass expenses created by the implementation of a strategy through to investors of EPT Funds but is not able to perform such a pass-through if strategies are allocated to non-EPT Funds. Therefore, Squarepoint is incentivized to allocate higher expense strategies to the EPT Funds over the non EPT Funds.

For efficiencies and other purposes, Squarepoint has the right to use the assets of one Fund to invest in the shares of a separate Fund. In such circumstances, the management and performance fees associated with the invested Fund will typically be waived.

Incentive and Management Fees Paid to Third Party Advisers

OpCos have the right to enter into sub-delegation agreements with unaffiliated parties. Compensation to these third-party advisers can include both incentive and management fees.

The incentive fee for managing each separately managed account is a percentage of the net profits or net losses (deducting all prior year's net losses not subsequently offset by prior years' net profits) for each fiscal year less any management fee, as described below, and a limited range of other expenses borne by the manager during such period.

In addition to an incentive fee described above, the third-party advisers may be entitled to receive a monthly or quarterly management fee, payable in advance or arrears (in each case as agreed with each external adviser), calculated at an annual rate (as agreed with each external adviser) of the notional value managed by the third-party adviser.

Other Fees and Expenses

As laid out in the Governing Documents of the Funds, in addition to paying performance-based compensation to the Squarepoint Group, Funds typically pay all of their own operating and investment expenses including, but not limited to fees and expenses related to the below items.

- *Organizational and Offering Costs*

The organizational and ongoing expenses in connection with the offer, issuance and placement of the investments; explanatory and other memoranda; costs relating to obtaining investor identity information or investor licenses in various countries, as required; costs relating to the preparation, execution and amendment of legal documentation constituting the Funds and legal documentation entered into by the Funds, including with service providers; costs of stationery; fees of the general partner and board of directors of the Funds; costs of meetings of the general partner and meetings of the board of directors of the Funds and travel expenses to such meetings and any other reasonable expenses approved by the general partner or the board of directors of the Funds.

- *Trading Expenses*

Professional fees (including, without limitation, fees and expenses of consultants, finders, financial advisers, investment bankers, attorneys, accountants and other experts) relating to the investments of the Funds and other fees and expenses relating to the acquisition, holding and disposition of investments of the Funds including, without limitation, exchange listing and securities licensing fees, as applicable; third-party research; portfolio pricing services; travel related to management of investment activities; expenses relating to the Funds' borrowings, including, without limitation, borrowings of cash or securities; expenses relating to prime brokerage and other margin facilities to the Funds; custodial and depositary fees and expenses; expenses relating to short sales; clearing and settlement charges; expenses relating to reorganizations and restructurings involving the Funds' investments; extraordinary expenses; expenses relating to operating investment arrangements including, without limitation, subsidiary companies necessary for accessing certain markets or instruments; expenses relating to investor and public relations; expenses of registering or qualifying the investments for sale or purchase; exchange memberships; exchange fees, transaction fees, brokerage fees and commissions or other costs of acquiring or disposing of investments of the Funds, including, without limitation, legal and accounting costs; bank service fees and interest expenses; any other costs related to the purchase, sale, transfer or processing of investments of the Funds.

- *Market Data, Other Data and Other Technology Related Expenses*

Market data and other data costs (whether or not the data is used and whether the data is used for trading, research, or other purpose) including, without limitation, real-time, non-real-time and historical

market data licensing fees, fees for third party databases and news services and payments for alpha capture strategies; costs attributable to certain software including, without limitation, database, middleware, mathematical, statistical and analytics software license fees and associated consulting, installation and maintenance fees; costs attributable to hardware, including, without limitation, computers, specialized hardware, connectivity hardware such as network equipment (e.g., telephone and fiber optic lines) and storage space and related consulting, installation and maintenance fees; costs associated with custom development; data center costs including, without limitation, leasing space, power and installation costs; costs of servicing, maintaining and operating hardware, software and networks including, without limitation, recovery services; depreciation costs associated with production hardware; technology costs associated with connecting to trading venues, trading counterparties, prime brokers of the Funds, and similar service providers.

- *Administration Fees*

- (i) The Funds administrators and their affiliates receive monthly fees from the Funds. The fee is equal to a percentage of the relevant net asset value based on a per annum rate subject to a minimum dollar amount; and
- (ii) Certain other one-off transaction fees at rates and out-of-pocket expenses specified in the relevant Administration Agreement.

- *Accounting, Tax and Related Expenses*

Auditing, accounting, and tax preparation expenses; any VAT; costs relating to preparing K1 and PFIC information statements and other documents necessary to reasonably assist investors in their tax affairs; and fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services to the Funds; taxes and regulatory fees, including, without limitation, taxes linked to hosting hardware in some countries and financial transaction taxes.

- *Legal, Insurance and Related Expenses*

Legal expenses; insurance premiums relating to the Funds; any costs and expenses incurred in connection with any actual or potential claim, litigation, arbitration, mediation, government investigation or dispute in connection with the Squarepoint Group and the amount of any judgment or settlement paid in connection therewith; or the enforcement of the Funds' rights against any person or entity; and costs and expenses for indemnification or contribution paid by the Funds to any person or entity; expenses related to making corporate or regulatory filings for the Funds; costs relating to liability insurance for the officers of the general partner and for the directors and officers of the Funds; other extraordinary expenses.

- *Withdrawals/Redemptions, Transfers, Communications with Investors and Similar Expenses*

Expenses relating to transfers and withdrawals of investments and printing, mailing and similar expenses, including, without limitation, expenses of preparing, printing and distributing reports, financial statements, notices, distributions and other documents to investors and potential investors; costs of investor meetings.

Where applicable, Funds may also pay their pro-rata share of the expenses of the underlying investment vehicles in which they directly or indirectly invest. This includes management fees, performance fees and pass-through expenses of third-party fund vehicles in which the Funds may invest. If, however, a Fund invests in another Squarepoint Fund, the management and performance fees associated with the

invested Fund will typically be waived.

- *Class Action Service Providers*

Squarepoint Group has the right to utilize third-party class action service providers. These third parties are compensated on a contingency basis whereby they will receive a percentage of any recovery obtained; that Squarepoint clients will bear ordinary and customary expenses (i.e., receive a reduced amount of any class action proceeds), including for any such third party that is used for class action recovery services; and that Squarepoint will credit any class action settlements received for the funds to the funds at time of receipt.

- *Licensing and Non-Advisory Service Fees to Corporate Clients*

SGS charges fees for the provision of research, Non-Advisory Services, the use of hardware and for the licensing of intellectual property to corporate clients pursuant to one or more written agreements.

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

OPS simultaneously manages assets for multiple Funds, and as outlined in Item 5 above, the Funds are charged performance-based fees. The performance-based fees vary from Fund to Fund and may incentivize the Squarepoint Group to make riskier investments than would be the case in the absence of such fees. Additionally, as certain Funds have significantly higher performance-based fees than other Funds and Squarepoint staff have significantly more capital invested in those Funds (the "Higher Fee Funds") than in other Funds, there is an incentive to favor the Higher Fee Funds over other Funds, including, for example, in the allocation of management time, resources, and investment opportunities.

OPS allocates investment opportunities and strategies amongst its Funds according to the target return, risk and trading profile for each Fund and considering multiple factors including but not limited to; existing portfolio composition, liquidity requirements for each Fund, tax considerations, regulatory considerations, informal diversification requirements, anticipated research and development expenditure, turnover, investment horizons and optimization frequency. This generally leads to investment opportunities being allocated to a single Fund, or adaptations being made to so that separate instances of a model or signal can be allocated to different Funds, each aligning with that specific Funds profile.

The Higher Fee Funds have access to shorter-term signals that are not made available to other Funds because the signals are believed to be capacity constrained, and their capacity has been reserved for the Higher Fee Funds. Over time, historical data has shown that strategies that use shorter-term signals tend to produce portfolios with higher Sharpe ratios and higher gross returns than those that utilize longer-term signals. Because the Higher Fee Funds utilize shorter-term signals than the other Funds, the Higher Fee Funds have experienced, and are expected to continue to experience, higher Sharpe ratios and higher gross returns than the other Funds. The Higher Fee Funds have priority with respect to new strategies, methods, signals, and other opportunities (including, without limitation, order working opportunities) going forward. Even when it is ultimately determined to use a new strategy, method, or signal for the benefit of Funds other than the Higher Fee Funds, it is likely to be first used for the benefit of the Higher Fee Funds, as the Higher Fee Funds are generally used to test new strategies, methods, and signals.

As noted in Item 4 and Item 10, a number of entities within the Squarepoint Group do not conduct any investment advisory services. Some of these non-advisory entities provide research services ("Affiliate Research Company") to the Squarepoint Group as well to corporate clients. Affiliate Research Companies may own specific intellectual property connected the research they produce and their compensation connected to the value that the Squarepoint group ascribes to their utilization. Squarepoint staff may from time to time invest in a number of these Affiliate Research Companies. This can create an incentive for such staff to favor research produced by such Affiliate Research Companies and the trading programs that use them should they also be involved in the allocation of investment opportunities.

In general, and as noted in Item 12, Squarepoint's various trading programs independently generate orders, which are routinely directed to brokers and counterparties for execution; with respect to trade allocations, these orders are generally executed without regard for other instructions generated for the account of the same or a different client of Squarepoint and orders are generally filled independently. Since the Higher Fee Funds generally trade with more urgency than the other Funds (due to their shorter-term forecasting horizon) and since they have access to lower-latency order working strategies, the Higher Fee Funds generally trade ahead of the other Funds. This is likely to result in the other Funds having their orders filled at less favorable prices than they would have in the absence of this more-urgent trading by the Higher Fee Funds. In some cases, the impact of one Fund on another Fund may be

material.

It is likely that working orders independently will cause the Funds to have a greater impact on each other than they would have if their trading were coordinated. If the correlation among Funds increases and/or the amount of capital invested in correlated Funds increases, this impact will increase.

Even among highly correlated Funds, OPS will not always purchase (or sell) the same securities at the same time, or in the same proportionate amounts, particularly if the different Funds have materially different amounts of capital or trade timing considerations. From time to time, highly correlated Funds will have opposing views as to whether to buy or sell a particular security at a particular time. As a result, one Fund may experience a loss on a security while a highly correlated Fund experiences a gain on the same security. For these and related reasons, the trading and performance of highly correlated Funds have diverged and may diverge even further in the future.

Very frequently, a Fund (or a strategy within a particular Fund) seeks to buy an asset at the same time as another Fund (or strategy within that other Fund) seeks to sell the same asset. It may be beneficial to cross these transactions to minimize or eliminate transaction costs, obtain better pricing, and to limit the market impact of the transaction. These cross trades create a potential conflict of interest as there is the potential to favor one account over another as OPS represents both the client-seller and the client-buyer in the transaction. Furthermore, trades between certain Funds would have heightened conflict profiles as they would be considered “principal transactions” (given the significant ownership of Squarepoint Group employees and controlling persons in certain Funds). Such cross transactions are permitted and OPS has implemented policies and procedures designed to ensure these transactions are carried out in a manner that complies with applicable regulatory requirements, including (i) disclosure is provided to each client about the potential conflict of interest; (ii) the use of independent third parties to obtain fair and better pricing for participating Funds, (iii) obtaining client consent for each cross transaction within the timeframes required, (iv) participating Funds to receive best execution; and (iv) no brokerage commission or mark up or mark down being charged by OPS.

We do not place cross trades for client accounts that are subject to the US Employee Retirement Income Security Act of 1974, as amended.

Because of the overlap in trading conducted on behalf of the Funds, OPS must manage the supply of shares available for borrowing by the Funds with short positions and/or OPS’ remaining position limit capacity across multiple Funds. In general, we allocate such finite resources on a first-come-first-served basis. Given that the Higher Fee Funds trade in greater volume and with more urgency than the other Funds, it is likely that, from time to time, the Higher Fee Funds will deplete the supply of shares available for borrowing by the Funds with short positions and/or cause OPS to reach our remaining position or other limits and therefore prevent the other Funds’ from entering into particular positions.

Squarepoint has the authority to aggregate orders of multiple clients which may result in orders of client orders being aggregated with orders placed for Higher Fee Funds. Please see Item 12 for additional detail concerning Squarepoint’s approach to trade aggregation, netting, and allocation.

As noted in Item 4, the Funds are formed as master-feeder, or similar, structures. The feeder funds, or their equivalents (collectively “Feeder Funds”), invest substantially all of their capital in the master funds, and in the vast majority of circumstances, trading and investing activity of the Funds takes place at the master level of the Fund. For tax, regulatory or other reasons, Funds will from time to time, effect their investment activities indirectly by investing through one or more trading vehicles operated by the Squarepoint Group.

For certain Funds (“MFC Funds”), OPS has the authority to transfer cash that is in excess of the amount needed to support MFC Funds’ trading activities to its respective Feeder Funds, and vice versa should

the MFC Funds incur a need for cash or funding (the "Cash Transfers"). These Cash Transfers are the main source of funding for a sub population of the MFC Funds ("CTF Funds"). As OPS manages multiple MFC Funds and investment opportunities present themselves for each MFC Fund at different times, this can affect the manner in which OPS manages an MFC Funds as a whole. OPS has adopted policies and procedures to ensure that the liquidity risk profile for each MFC Fund is managed and the Cash Transfers are carried out in a pro rata and equitable fashion. Nonetheless, in the event a material conflict were to arise, it may not be possible to resolve in an equitable manner. If this occurs, OPS will act in a manner that favors the MFC Funds at the expense of the CTF Funds.

OPS may invest in other funds or accounts managed by the Squarepoint Group ("Squarepoint Funds") or in which OPS and its affiliates have an ownership or other economic interest, which gives rise to potential conflicts of interest. Further, it is possible that such Squarepoint Funds may in turn invest in other Squarepoint Funds. OPS has an incentive to allocate the assets to Squarepoint Funds, or maintain an existing investment in a Squarepoint Fund despite adverse performance results, since OPS or its affiliates has a direct or indirect financial interest in the success of such funds. OPS and its affiliates will endeavor to manage any potential conflicts arising from this in a fair and equitable manner, subject to legal, regulatory, contractual, or other applicable considerations.

The Squarepoint Group has adopted policies and procedures that it believes are reasonably designed to address these and other conflicts of interest. There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Squarepoint Group. The discussion above does not purport to be a comprehensive discussion of all the conflicts of interest associated with the Squarepoint Group and an investment in the Funds. The Funds' Governing documents contain additional information with respect to the actual and potential conflicts associated with an investment in the relevant Funds.

ITEM 7 - TYPES OF CLIENTS

The Squarepoint Group operates an independent asset management business and provides discretionary investment advisory services to certain privately offered pooled and non-pooled investment vehicles, the Funds, as described in Item 4.

Investors in the Funds are generally required to make a minimum initial investment that can range from USD 100,000 to USD 10,000,000 depending on the specific share class. Investors in the Funds are also generally required to be both “accredited investors” and “qualified purchasers” or “knowledgeable employees” and meet other investor qualification criteria required by applicable securities and commodities laws and regulations.

The Squarepoint Group also provides Advisory, and Non-Advisory Services to third-parties.

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

Investment Strategy and Methods of Analysis

The principal objective of the Funds is to provide investors with consistent risk-adjusted returns by means of capital appreciation by making investments in financial instruments. Squarepoint Group is permitted to implement various trading approaches on behalf of the Funds reflecting both quantitative and systematic trading methods and/or discretionary trading approaches.

When pursuing a systematic trading approach, the Funds employ a multi-asset systematic global strategy-trading approach combining a collection of independent strategies, each focusing on a limited number of signals having their own risk parameters. The Feeder Funds invest substantially all of their capital in the master funds, and in the vast majority of circumstances, trading and investing activity of the Funds takes place at the master level of the Funds. Squarepoint Group's research team uses statistical techniques to forecast movements in the value of financial instruments at various time horizons. In order to develop these proprietary forecasting tools, Squarepoint Group will leverage large historical datasets, either compiled in-house over time, or licensed or purchased from third parties. The underlying data can be of various kinds, including, but not limited to, market data (e.g., prices, volumes), accounting data, regulatory filings, economics releases and news items. Various forecasts will then be combined with risk management and trading modules to form a trading strategy. Such a strategy will usually be tested against historical data ("back testing") to optimize its expected future performance which involves striking a balance between expected returns and risk, while taking other considerations such as available liquidity and market impact into account. After the back testing phase, a strategy will be implemented and generates orders on relevant instruments, such as equities, derivatives or foreign exchange. A few strategies will be executed manually by traders. Squarepoint Group investment professionals reserve the right to override model outputs and strategy trading intentions to reflect their perception of prevailing market conditions.

Risk management is performed in real-time. Whilst most risk management procedures are automated and built-in into the system, Squarepoint Group has the right to intervene and alter risk parameters to respond to changing market conditions from time to time.

The strategies cover a wide spectrum of holding periods and boundaries are clearly defined. The portfolio combines low frequency trading with higher frequency trading. Multiple back-testing environments are used to focus on issues key to each category of strategy. Many different datasets are used to design, improve and run strategies that are often cross validated using different but overlapping datasets. The majority of investments are made on a systematic basis.

Squarepoint Group can also employ certain non-systematic discretionary trading strategies. The individual judgment and discretion of Squarepoint Group's personnel will be fundamental to the implementation of such strategies. Investment decisions will be based on fundamental and technical analysis conducted by the Squarepoint Group's personnel.

While there is no limit on the portion of any Fund's portfolio that will be allocated to systematic or discretionary approaches at any time, the majority of investments are made on a systematic or semi-systematic basis.

The global portfolio of the Funds is spread across three major regions: EMEA, APAC and the Americas, with asset allocation to each region managed by OPS. OPS is responsible for managing the global portfolio during US business hours, UK OpCo is responsible for managing the global portfolio during European business hours and Singapore OpCo is responsible for managing the portfolio during Asian business hours. The global portfolio itself consists of a number of strategies with different turnovers.

While the Funds do not have any fixed guidelines with respect to diversification, to achieve its investment objective, the Funds generally seek to maintain a diversified portfolio of instruments spread across countries, sectors, and asset classes. Notwithstanding the foregoing, the Funds' portfolio could become significantly concentrated in any one industry, sector, strategy, or geographic region.

The investment policies and strategies (but not the investment objective and overall trading approach) of the Funds can be changed by the board of directors in consultation with OPS without the consent of the shareholders.

Potential Risks

The following considerations should be evaluated carefully by any potential investor before making an investment in the Funds. Such considerations do not purport to be a complete discussion of all the risks and other factors and considerations which relate to or might arise from investing in the Funds or from their investments. Potential investors are advised to consult their own advisors regarding additional potential risks.

Risk of Loss

All investments involve the risk of loss of a part, or all, of the capital invested. Investing in the Funds involves a high degree of risk. There can be no assurance that the Funds' investment objective will be achieved. An investment in any of the Funds is suitable only for sophisticated investors for whom the investment does not represent a complete investment program and who fully understand and are capable of assuming the risks of such investment.

There can be no assurance that the Funds will achieve their investment objectives or that they will not incur a loss. Investors should be aware that past performance of the members of the Squarepoint Group is not necessarily indicative of future performance of the Funds.

Investment Risks in General

Investing in the Funds will involve certain considerations in addition to the risks normally associated with making investments in securities. The Funds' net asset value and any income therefrom may go down as well as up and there can be no assurance that upon redemption, sale or otherwise, investors will receive back the amount originally invested or that there will be any return of capital. Investment results will vary on a monthly, quarterly or annual basis.

Any investment in the Funds is at risk of a total loss of invested capital. Squarepoint cannot predict, measure, or hedge all market or other risks linked to the Funds' investment strategy. Squarepoint may choose, or may determine that it is economically appropriate, to not hedge certain risks, instead relying on diversification in an attempt to mitigate the risks. However, the Funds are not limited by any specific policies or requirements for diversification or risk mitigation. As a result, the Funds may become concentrated in a single issuer, industry, market or sector and the concentration of risk may increase losses suffered by the Funds. Limited diversification may cause greater volatility than would otherwise be the case and could expose the Funds to losses disproportionate to market movements in general. Risks associated with different assets held by the Funds may become correlated in unexpected ways, with the result that the Funds become exposed to unforeseen risks.

Delegation of Investment Discretion and selection and of Third-Party Investment Advisors

From time to time, OPS may delegate some or all of its role as adviser to its clients to third party advisers. In connection with the selection of potential sub-advisers or advisers, OPS makes recommendations or selections of underlying investment managers for such clients.

OPS performs detailed due diligence on third party potential sub-advisers or advisers before selecting them. In selecting external advisers, Squarepoint relies on a variety of both quantitative and qualitative factors, including but not limited to, analysis of the adviser's investment process and results, including the length of their track record, operational controls, compliance policies and procedures, consideration of the assets under management, and interviews with members of the adviser's senior management and investment teams, management style, number and continuity of investment professionals, and client

servicing capabilities.

There can be no assurance as to adequacy of the factors considered in selecting third-party advisers, and no guarantee against material losses as a result of such delegation.

No Formal Investment Restrictions

The Funds have not adopted any specific investment restrictions or limitations of any kind and does not currently otherwise voluntarily observe any specific fixed internal investment guidelines or principles, including, without limitation, with respect to diversification, geographic scope, or the credit quality of its investments. The Funds generally seek to maintain a diversified portfolio of investments spread across countries, sectors, and asset classes.

No Formal Diversification Policies

Although diversification is an important part of OPS portfolio management process, and OPS generally seeks to maintain a diversified portfolio of instruments spread across countries, sectors and asset classes, OPS does not have any formal diversification policy or any fixed limits, guidelines, or requirements for diversifying the investments of the Funds. As a result of the foregoing and the fact that risks associated with different assets may be correlated in unexpected ways, the Funds could become subject to more concentrated issuer, industry, market, sector, or other exposures than expected. Most of OPS portfolio management activities are done on a strategy-by-strategy basis, while each Fund generally employs more than one strategy. Therefore, the overall portfolio of a particular Fund may have more exposure to a particular asset, asset class, market factor, or risk scenario than would be expected had those portfolio management activities occurred at such Fund's overall portfolio level. If OPS fails to identify and therefore manage any of these risks, the Funds may suffer losses.

Bid and Offer Spread of Investments

The bid and offer spread of financial instruments, including those in which the Funds invest, usually widens during periods of market decline or reduced liquidity, and this may adversely impact the valuation of investments held by the Funds or the ability of the Funds to dispose of financial instruments at a previously quoted price or at the currently quoted price.

Compulsory Redemption

The Funds and/or the Feeder Funds have the right to compulsorily redeem the shares of a shareholder in certain circumstances. Such compulsory redemption can create adverse economic or other consequences for the shareholder depending on the timing thereof and the shareholder's personal circumstances.

Suspensions of Redemptions

The directors of the Funds have the right to suspend the calculation of the net asset value of the Funds and the net asset value per share of each class in certain circumstances. No issue or redemption of shares at the option of the shareholders will take place during any period when such calculations are suspended and the Funds reserve the right to withhold payments of redemption proceeds to persons whose shares have been redeemed prior to such suspension until after the suspension is lifted. This could materially extend the period required for shareholders to realize their investments in the Funds.

In-specie Distributions

The Board of Directors may distribute assets of the Funds in-specie to a shareholder upon a redemption of such shareholder's shares. Assets distributed in kind may be illiquid or difficult to value, may not be readily marketable or saleable and may have to be held by such shareholder for an indefinite period of time. Such assets will continue to be subject to market conditions and may fluctuate in value following the relevant redemption day. There can be no assurance that the redeeming shareholder will be able to liquidate such assets at a price equal to or greater than the value of the assets determined as of the relevant redemption day.

Illiquid Investments

There is no limitation on the extent to which Squarepoint may invest in illiquid instruments. OPS may designate investments as Special Situation Investments as set forth in Fund documents and its right to make such designations is not limited in any respect. Special Situation Shares issued in connection therewith generally may not be voluntarily redeemed except in certain limited cases.

Because of potential liquidity issues, thinly quoted markets, and the possible use of models for valuation purposes, the value at which the illiquid positions can be liquidated may differ, sometimes significantly, from the interim valuations arrived at using the methodologies described in the Squarepoint's valuation policy. There is a risk that a shareholder who redeems all or part of its shares will be paid an amount less than it would otherwise be paid if the actual value of such investments were higher than the value assigned by the Fund. Similarly, there is a risk that a shareholder might, in effect, be overpaid, which will have an adverse effect on the non-redeeming shareholders.

Absence of Regulatory Oversight and Other Regulatory Risks

None of the Funds are registered investment companies under the Investment Company Act or otherwise registered under the securities laws, or with the securities regulatory authority or commission, of any other jurisdiction other than to the limited extent described in the PPM, and none of the US Feeder, the Offshore Feeder or the Funds has any current intention of being so registered. Accordingly, the provisions of the Investment Company Act and legislation in other jurisdictions regulating the relationship between an investment fund and its asset manager and otherwise protecting the interests of investors in an investment fund are generally not applicable to an investment in the Funds.

The Alternative Investment Fund Managers Directive ("AIFMD") has imposed new requirements in relation to funds managed or established in the European Economic Area ("EEA") and in certain circumstances to other funds which are marketed in the EEA, as well as funds managed by managers located in the EEA which result in increased requirements, including in relation to transparency and disclosure. The provisions of AIFMD will only apply to the Funds if the Funds are marketed in the EEA or to investors domiciled or with a registered office in the EEA, and even then only certain provisions will be applicable to the Funds as non-EEA alternative investment funds ("AIFs") with a non-EEA alternative investment fund manager ("AIFM").

Membership on Exchanges, Trading Venues or Self-Regulatory Organizations

In an effort to facilitate the investment strategies employed by the Advisers on behalf of the Funds, certain of the sub-funds and/or their affiliates have become and/or may become members of exchanges, clearing houses and other self-regulatory organizations and have obtained or will obtain a variety of governmental licenses or authorizations. Such memberships, licenses or authorizations subject such affiliates, the Funds, and the relevant sub-funds to a wide range of regulation and other obligations, including regulatory inspections and other restrictions, together with associated costs.

Exchanges, trading venues and other self-regulatory organizations regularly revise and interpret their

rules, and such revisions and interpretations could materially adversely affect the Advisers' activities on behalf of certain sub-funds.

Changes in Law or Regulations may Adversely Affect the Fund's Ability to Carry on its Business

- *Home Regulator Considerations*

The Funds and each member of the Squarepoint Group are each subject to laws and regulations of national and local governments. Changes in such laws or regulations or their interpretation, or a failure to comply with any such laws or regulations, may adversely affect the Funds' performance and returns to their shareholders.

Among the rules that have been finalized in the last year, two stand out as particularly disruptive to the Squarepoint Group. The Private Funds Rule would require a partial move away from the expense pass-through model that Squarepoint Group has successfully employed since inception while the sales practice restrictions will limit OPS' ability to interact with its investors. The Dealer Rule will potentially require several entities within the Squarepoint Group to either register with FINRA and the SEC as Dealers, or materially alter existing strategies. Both rules have been challenged in court but if either rule survives in its current form, OPS will have a very short time to implement complex rules.

- *Hedge Fund Regulation Considerations*

The regulatory environment for hedge funds and the managers of hedge funds is evolving. Any change in the laws and regulations affecting the Fund or any change in the regulations affecting hedge funds, funds of hedge funds or hedge fund managers generally may have a material adverse effect on the Funds' ability to obtain leverage or carry on its business, which in turn could have a material adverse effect on the performance and returns to shareholders. Changes in law, regulations or their interpretation may result in legal uncertainty, compliance becoming increasingly burdensome and may even result in restructuring.

- *Investment Product Considerations*

The regulatory or tax environment for derivative and related instruments is evolving and may be subject to government or judicial action, which may adversely affect the value or liquidity of investments held by the Funds or its ability to obtain the leverage it might otherwise obtain. In such event, the investment returns of the Funds may be materially and adversely affected. The effect of any future regulatory or tax change on the Funds is impossible to predict.

Differing Tax Positions

We take into account the tax status of investors (or a subset of investors) in making trading decisions on behalf of certain Funds, however, we have no obligation to continue to do so. In the event that we do not take into account the tax status of any (or a subset) of investors in such a Fund, such investors may have adverse tax consequences.

For example, there may be non-U.S. or U.S. tax-exempt investors in a Fund that is tailored for U.S. taxable investors. The actions that OPS takes to tailor such a Fund's after-tax returns for a U.S. taxable investor (e.g., by causing the Fund to hold a position longer than it would otherwise in order to benefit from the preferential U.S. federal income tax rate applicable to long-term capital gains) may negatively impact the pre-tax return of the Fund for all investors (including non-U.S. and U.S. tax-exempt investors).

The Funds are exposed to changes in Tax Laws or Regulation, or their interpretation

Changes to the tax laws of, or practice in, Cayman Islands, Singapore, the United Kingdom, the United States or any other tax jurisdiction relevant to the Funds including, for example, the imposition of withholding or other taxes (including financial transaction taxes) on or in relation to the Funds' investments, could adversely affect the value of the investments held by the Funds and decrease the post-tax returns to shareholders.

Financial transaction taxes on high frequency trading have been introduced in France and in Italy and may be imposed on certain transactions undertaken on behalf of the Funds. Financial transaction taxes may be introduced in other jurisdictions in which the Funds undertake investment transactions.

The Funds are exposed to changes in its Tax Residency and changes in the Tax Treatment of arrangements relating to its business or investment in the Funds

If the Funds were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Funds' performance and returns to shareholders.

In the UK, UK tax legislation provides a statutory exemption (the "investment manager exemption" or "IME") from UK tax on the profits of a non-UK resident fund managed by a UK investment manager where the conditions of the IME are satisfied. If the IME conditions are not met with respect to the activities of UK OpCo, profits of the Funds that are attributable to transactions carried out by UK OpCo may be subject to UK corporation tax. In such circumstances, Squarepoint may consider reducing the role of UK OpCo which may, in turn, adversely affect returns from the Funds.

Force Majeure Events

Force majeure events, such as (but without any implied limitation) terrorist attacks, acts of war, insurrections, epidemics or pandemics, natural disasters, or extreme weather conditions, typically cannot be predicted, and it is not expected that a client's portfolio would be hedged or insured against any such event. The possibility or occurrence of any such event could (a) materially adversely affect the personnel and/or operations of the Adviser and/or the markets in which a client directly or indirectly participates, (b) result in material disruptions to and/or increased regulation of markets in which a client directly or indirectly participates, and/or (c) otherwise have a material adverse effect on a client or any of its Investments.

Public Health and Pandemic Risk

The Funds could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises. Public health crises such as the COVID-19 pandemic, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on the Funds and their investments and the Funds' ability to successfully achieve their investment objectives. These are expanded on below and include (i) disrupting or otherwise materially adversely affecting the human capital, business operations or financial resources of the Squarepoint Group, the Funds, the Funds' counterparties, the issuers in which the Funds invest, and/or service providers to the Funds and (ii) severely disrupting global, national and/or regional economies and financial markets.

Public health crises and efforts to address them may result in (or, in the case of the COVID-19 pandemic, have already resulted in) any or all of the following: (i) the closure of offices or other businesses, including office buildings, factories, distribution channels and other commercial venues, (ii) workforce, trade or

travel disruptions or restrictions, (iii) disruptions in regional or global trade markets and the logistics necessary to import, export and deliver products, (iv) the lack of availability or price volatility of raw materials or component parts necessary in connection with a business (e.g., supply-chain disruptions or delays), (v) depressed demand for products or services because of reduced consumer confidence or because quarantines, restrictions on public gatherings and the forced closures of certain businesses significantly inhibit consumption, and (vi) a reduction in the availability and/or adverse changes in the terms of capital or leverage.

In addition, public health crises such as the COVID-19 pandemic and containment efforts may adversely affect the ability, or the willingness, of a party to perform its obligations under its contracts and lead to uncertainty over whether such failure to perform (or delay in performing) might be excused under so called “material adverse change,” force majeure and similar provisions in such contracts. For example, (i) counterparties and service providers to the Funds or the Squarepoint Group may fail to perform (or delay the performance of) their obligations. The extent of the impact of pandemics such as COVID-19 and other public health crises on the Funds and their investments will depend largely on future developments, including the severity, duration and spread of the outbreak throughout the world and the effect on the global economy and the markets, issuers, and instruments in which the Funds invest, all of which are highly uncertain and cannot be predicted.

Extreme Weather Conditions

Although the performance of the strategies the Adviser deploys on behalf of its clients may be highly volatile in general, extreme and/or unpredictable weather conditions may, among other things, materially increase volatility in certain markets in which clients invest; further, such weather conditions may become more common over time because of climate change. Any such increase in volatility could have a material adverse effect on a client.

Risks Related to Investment Strategies

Quantitative Strategies; Model Risk

The quantitative research and modeling process is extremely complex. While Squarepoint Group utilizes backtesting and other statistical tests to evaluate research results, such tests will not insulate the Funds from all design and conceptual flaws. The complexity of the components of Squarepoint Group’s strategies, and the interactions among such components, may make it difficult or impossible to detect the source of any weakness or failure in such strategies before material losses are incurred. Investors in the Funds are usually not made aware of any weaknesses or errors in models discovered by Squarepoint Group (regardless of whether such weaknesses or errors are corrected by the Funds or Squarepoint Group).

Even if all assumptions underlying the models used by Squarepoint Group are correct, there is no assurance that prices will move in line with the forecasts generated by the models. The models used by Squarepoint Group use historical data to make future predictions about the instruments in their respective portfolios, and the actual performance of those securities may not match the model’s predictions. Financial markets are complicated and can act in unpredictable ways. The models utilized by Squarepoint Group are not able to take into account all of the complexities of the financial markets, including events or circumstances that are not readily foreseeable, such as natural disasters, accounting fraud, litigation or regulatory developments. In unforeseen or low-probability scenarios (e.g., the COVID-19 pandemic, the negative oil futures pricing observed in April 2020, or the 2022 Russian invasion of Ukraine), predictive models may produce unexpected results. As a result, Squarepoint Group’s models may perform substantially worse than expected, resulting in losses.

The performance of quantitative models generally decays over time. Models must be constantly re-

evaluated in light of, and, in some cases, adjusted to account for, rapidly changing market conditions. All changes to models (including incremental improvements to current models) expose the Funds to the possibility of unforeseen losses from a variety of factors, including conceptual failures and implementation failures. The determination as to when to turn over a model change is complicated and involves balancing the implementation and modeling risks associated with turning over new code with the expected benefits of the change. If Squarepoint Group turns over a new model too quickly or too slowly, the performance of the Funds may be negatively impacted, and the Funds could incur material losses.

The successful operation of the models is also reliant upon the information technology systems used by the Funds and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. There can be no assurance that the effectiveness of mathematical models used by Squarepoint Group will be successfully maintained.

Dependence on Technology

Squarepoint Group's investment processes, including research, production trading, risk management, and trade aggregation and allocation, are highly automated and rely heavily on technology, including proprietary and third-party hardware and software. Squarepoint Group uses computer systems in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back-office functions and reporting. Squarepoint Group believes that technology is critical to its success, and any failure on the part of Squarepoint Group to anticipate or respond adequately to applicable technological advancements could consequently have a material adverse effect on the Funds. In addition, the performance of the Funds, as well as various critical processes of the Funds, could be severely compromised by coding errors (including design and implementation errors), computer viruses, telecommunications failures, natural disasters, security breaches, software related "system crashes", disruption or deterioration of services of third-party providers, terrorist attacks and similar events. Such events might even cause computerized trading programs to generate orders or to execute trades many times the magnitude of, as well in the opposite market direction to, the transactions which were intended. Any event that interrupts Squarepoint Group's computer and telecommunications operations could result in, among other things, the inability of Squarepoint Group to establish, modify, liquidate, hedge or monitor the Funds' investments and therefore could have a material adverse effect on the operating results of the Funds.

The Funds could also be negatively impacted by power outages, hardware failures, disk failures and other similar circumstances, some of which are within Squarepoint Group's control to prevent, and others of which are not. While Squarepoint Group has business continuity procedures and regularly monitors its trading equipment, its procedures and monitoring may not be as robust as they could be and unexpected or double failures have been known to occur. In the case of severe business disruptions, Squarepoint Group may not be able to resume its activities for multiple hours or longer, depending on the severity of the outage and the systems impacted. Because Squarepoint Group's investment strategies generally trade on a frequent basis (as opposed to holding positions for long periods of time), failures in the trading or other systems, even for a short period of time, could have significant adverse effects on the performance of the Funds.

While Squarepoint Group takes precautions to secure its technology infrastructure, there can be no assurance that security will not be breached. In such event, some of the Squarepoint Group's critical data and systems could become corrupted, which could cause the loss of trading connectivity or trading in unintended ways.

While Squarepoint Group devotes considerable resources to preventing, identifying and containing the effects of computer systems errors, Squarepoint Group considers these errors to be an intrinsic aspect (and, therefore, a basic element) of its sophisticated and highly technological trading and execution

strategies. Squarepoint Group will not be responsible for such errors except where such errors are the result of Squarepoint Group's gross negligence, bad faith, actual fraud or willful default. Such errors are complex and difficult to prevent and detect and prospective investors in the Funds should assume that such errors will occur. These errors will be for the account of the Funds and, potentially would be material to its performance.

Operational Risks

Squarepoint Group's strategies are highly dependent on information systems and technology. Any failure or deterioration of these systems or technology due to human error, data transmission failures or other causes could materially disrupt its operations. A disaster or a disruption in the infrastructure that supports Squarepoint Group's business, including a disruption involving electronic communications or other services that Squarepoint Group, or third parties that it does business with, use or affecting one of Squarepoint Group's offices or facilities, may affect its ability to continue to operate its business without interruption. Although Squarepoint Group has back-up facilities for its information systems as well as technology and business continuity programs in place, there can be no assurance that these will be sufficient to mitigate the harm that may result from such infrastructure disaster or disruption. In addition, insurance and other safeguards might only partially mitigate the effects of such disaster or disruption.

Squarepoint Group relies on third-party service providers for certain aspects of its business, including, but not limited to, position reconciliation, trade processing, NAV calculation and counterparty risk monitoring. It also relies on market data providers, analytics vendors, and software companies. Any interruption or deterioration in the performance of these third parties could impair the quality of the Funds' operations and negatively impact Squarepoint Group's investment strategies.

Coding Errors

Software is prone to coding errors, and given the way the Funds trade, a single software coding error can result in the execution of many unwanted trades (or, alternatively, the failure to place intended trades). While Squarepoint Group seeks to mitigate the incidence and impact of software errors with testing, change management procedures, monitoring and automated risk checks, the decision as to when to turn over new software involves balancing the expected benefits of any change (which would call for turning over the change quickly) with the risks that the software will contain errors (which would call for exhaustive testing). While Squarepoint Group seeks to strike the right balance, it may turn over new software too quickly or too slowly, which could negatively impact the Funds. From time to time, Squarepoint Group may deploy new code with errors that could have been detected with more exhaustive or independent testing, although in such cases Squarepoint Group may nevertheless continue to believe that turning over the new code was the right decision given the risk-reward trade-off associated with the change. In addition, where Squarepoint Group believes that the benefit of rolling out a change outweighs the risk of not addressing (or even diagnosing the precise cause of) a known weakness, Squarepoint Group may deploy new code with known weaknesses. In such cases, it is possible that Squarepoint Group's decision to deploy the change without addressing the known weakness will prove wrong in hindsight, and the Funds could be negatively impacted.

Detecting coding errors is often extremely difficult, particularly where, as is the case with some of Squarepoint Group's proprietary software, there are no design specifications or documents for the software. Given the difficulty of detecting coding errors, some errors will go undetected for long periods of time and some will never be detected. Moreover, some coding errors will be detected but not fixed by Squarepoint Group immediately, or, possibly, at all, due to competing priorities and/or the perception that the impact of the error is not material. Although Squarepoint Group will make judgments about the perceived impact of discovered errors so as to appropriately prioritize the remediation of the errors with other business demands, in the vast majority of cases, Squarepoint Group will not perform a quantitative impact analysis on discovered coding errors. Squarepoint Group's judgment could prove to be wrong,

and a software error that Squarepoint Group chooses not to fix immediately or chooses to fix at different times for different funds, could have a material impact on the Funds. In addition, as a mathematical model can be expressed in computer code in multiple ways, the choice of code ultimately used may not result in the best representation of the model.

The occurrence of coding errors is inevitable given the Funds' sophisticated and highly complex trading processes, and coding errors will not constitute trade errors under the Funds' policies. Investors should understand that they are assuming the risks (including any losses) associated with these errors when investing in the Funds. The Funds do not expect to disclose discovered coding errors to investors, and losses arising from coding errors will be borne by the Funds.

Reliance on Data; Availability and Accuracy

The quantitative models that are utilized by Squarepoint Group to trade the Funds' portfolios rely on historical and current market and other data provided by third parties. Any interruption in the flow of data, or an inability to appropriately process, clean or analyze such data is likely to disrupt the Funds' ability to effectively trade and Squarepoint Group's ability to manage the portfolios. In addition, while the investment system is dependent on accurate data, no assurance can be provided that the data supplied by third parties is accurate. There may be inaccuracies in such data and the Squarepoint Group may make errors in incorporating such data into the investment system. Investment decisions (including hedging decisions) made, or programming code developed, on the basis of inaccurate or incomplete information could have a material adverse impact on the Funds' portfolios, including causing the Funds to liquidate positions it would not have sought to liquidate with accurate data and/or to accumulate positions it would not have sought to accumulate with accurate data. It is not expected that investors will be notified when such issues occur.

In addition to traditional data sets, Squarepoint also uses "alternative data" in our investment process. Alternative data draws from a wide array of data sources not traditionally used by investment managers. It can include but is not limited to; data generated by business processes, such as financial transactions and credit card data; data generated by individuals, such as internet search trends; data generated by sensors, such as geolocation data; and data that is available in the public domain, such as government records and public records databases. Alternative data is often less structured than traditional data sets and usually has less history, making it more complicated (and riskier) to incorporate into quantitative models. The use of alternative data by investment firms is also subject to increased regulatory scrutiny; Data sources are potentially a source of material nonpublic information and/or personally identifiable information. Squarepoint Group's failure to properly vet or limit access to data sources could therefore cause the Funds to be prohibited from trading and Squarepoint Group or the Funds to be subject to adverse regulatory action. Whilst Squarepoint has procedures to vet new data sources, there can be no assurance that they will be effective or deemed sufficient by regulators, resulting in reputational, financial, or other harm to Squarepoint and the Funds. It is also possible that some or all of the alternative data sets used by Squarepoint will become unavailable in the future (due to changes in law, regulatory action, changes in vendor policies, or otherwise).

The third parties that provide data to Squarepoint Group usually provide the same information to other market participants, including our competitors. The more OPS incorporates data into its models that is being used by other market participants, the more likely the Funds' trading will be correlated with that of other funds and accounts. As described below, the more highly correlated our models are with those of other market participants, the more likely it is that the trading by other market participants will have a material adverse effect on the performance of the Funds. See Competition among Quantitative Managers; Correlated Trading below.

Furthermore, it is not possible for Squarepoint Group to integrate all relevant data into the quantitative models it develops. Squarepoint Group makes subjective decisions regarding what data to integrate into

its models. In making such determinations, Squarepoint Group may consider such factors as it deems relevant in its sole discretion, which may include the cost of obtaining such data, the technology cost of incorporating such data into the Funds' research and trading infrastructure, and the reliability of the third party providing such data. No assurance can be provided that Squarepoint Group's selections will result in the Funds achieving their investment objective. The acquisition and/or processing of data from third parties are significant components of the modeling utilized by Squarepoint Group and Squarepoint Group has growing but limited experience in these activities as investment advisers.

As detailed in Item 5 - Fees and Compensation, Other Fees and Expenses, data costs are generally Fund expenses. Many data providers charge based on how many users can view the data, which means that failure by Squarepoint Group to appropriately restrict access to the data could result in additional expenses to the Funds. In addition, many data sources OPS uses on behalf of the Funds come from providers with significant pricing power, which permits such providers to charge prices which may not be commensurate with the value such data provides the Funds and to increase such prices indiscriminately. Noncompliance with contractual data terms (which can be ambiguous and open to interpretation) could also result in vendors terminating our data licenses, which could have a material adverse effect on our Funds.

Reliance on the Integrity of Financial and Economic Reporting

A number of the investment strategies employed on behalf of the Funds rely on financial, economic and economic policy information made available by companies, governmental agencies, exchanges, consulting and research firms and central banks. Data such as financial performance and prospects for individual companies, unemployment rates, inflation and expectations of inflation, consumer confidence measures, sovereign debt issuance calendars and numerous other factors can have a material effect on the investment positions taken on behalf of the Funds. However, the Squarepoint Group has limited ability, if any, to verify such financial, economic and/or economic policy information. The Squarepoint Group is dependent in this regard upon the integrity of both the individuals and the processes by which the entities that publish such data produce their results. The Funds could incur material losses as a result of the misconduct or negligence of such individuals and/or a failure of or substantial inaccuracy in such processes.

Differential Access to Information

The Squarepoint Group will execute transactions on behalf of the Funds with other market participants who may have superior information and market intelligence to the Squarepoint Group. From time to time, the Funds may incur substantial losses caused by an information disadvantage.

Human Error

While the Funds' trading strategies primarily utilize quantitative models and automated processes, the activities and decisions of the Squarepoint Group's personnel play a vital role in the Funds' investment approach.

The Squarepoint Group's personnel make subjective decisions in designing, implementing, monitoring, and executing trading strategies, including determinations in connection with developing and making changes to quantitative models (e.g., the timing of implementation, the level of testing required and the setting of various parameters or other settings), implementing risk limits, monitoring the Funds' trading and infrastructure, and trading orders manually. Subjective decisions by individuals could prove to be wrong, which could result in losses. For example, a decision to increase a risk limit or not to turn off trading in response to an automated alert could cause a strategy to trade more than intended. Because trade orders are typically placed through automated systems, there is a heightened risk of human error occurring in connection with any trades that are placed manually.

The research and modelling processes utilized by the Funds rely on theories, research and models being translated into computer code. Any errors made by individuals in such translation to computer code or with respect to the input of data may be difficult to detect and could result in errors in the models that result in losses. Given the manner in which the Funds trades, a single software coding error could result in the execution of many unwanted trades. Similarly, the Funds may incur gains or losses because of a “trade error”— i.e., any human error involving a transaction in any Funds accounts, such as a keystroke error (“fat finger”) resulting in a manual trade being entered incorrectly (for instance, incorrect instrument, quantity, direction, price etc.) into a trading system.

It is not expected that investors will be made aware of human errors, and losses arising from human error will be borne by the Funds.

Electronic Trading

The Funds trade on electronic exchanges and other trading venues. Each venue entails its own inherent risks relating to system access, security, response times and its use of service providers. As evidenced by recent events, exchanges and other trading venues are not immune from software failures and system outages. Any software failure or system outage in a venue on which the Funds trade could impede the ability of the Funds to trade in a timely fashion or hedge its risk, which could have a material adverse effect on the Funds’ performance.

In addition, various market structure changes are being discussed globally that could impact electronic trading. Any such changes would likely materially negatively impact quantitative investment strategies like the Fund’s strategies.

Artificial Intelligence

The Squarepoint Group’s quantitative researchers and data scientists use tools that may be described as Artificial Intelligence (“AI”) to assist in the analysis of large data sets. Strategies produced with input from AI tools are subject to the same rigorous review prior to use, the same limit regime while in use, and the same post trade monitoring and surveillance as any other strategy or human trader. As AI technology becomes widely available, it is possible that less sophisticated or malicious users can have an outsized disruptive impact on markets, potentially impacting Squarepoint Group.

Additionally, the term AI is poorly defined. It has been in use for decades and has recently been defined as anything from formula in a spreadsheet to deep learning and neural networks. If a tool promoted as driven by AI has a widespread negative impact on markets or investors, the ensuing negative publicity may lead to an over-regulation of not just AI but of financial technology in general.

Frequent Trading

The Funds trade frequently. Consequently, they bear significant brokerage, clearing and trading fees. In addition, new financial transaction taxes and higher exchange fees (for placing and/or cancelling orders) have been proposed. Even *de minimis* taxes or a small increase in exchange fees could have a negative impact on the returns of investment funds that trade frequently, like the Funds.

Trade Execution

Certain of the investment techniques used by Squarepoint Group require the rapid and efficient execution of transactions, or the ability to accumulate or liquidate large positions. Inefficient execution can eliminate the market opportunities that such techniques seek to capture.

Transactions may be executed on terms other than those intended by Squarepoint Group. For example,

a transaction may be executed in the wrong investment instrument, for the wrong quantity or price, to buy when Squarepoint Group meant to sell or to sell when Squarepoint Group meant to buy. The Funds will generally bear the losses or costs of any such errors.

There is also risk that a counterparty will fail to settle a transaction in accordance with its terms and conditions, thereby causing the Funds to suffer a loss.

Competition among Quantitative Managers; Correlated Trading

There are a large number of investment managers that utilize quantitative models in their trading strategies. There may be attempts by other participants in the market to duplicate the Fund's models or trading strategies. To the extent that such persons are utilizing models that are similar to those used by the Funds, the Funds may be competing for investment or arbitrage opportunities with such participants and the trading by such other persons may impact the opportunities and profitability of the Funds. To the extent that such participants take the same action with respect to a particular position as the Funds, the ability of the Funds to purchase or dispose of its investments at attractive prices may be adversely affected.

In addition, the liquidation of a large number of positions in a short period of time by market participants that utilize quantitative models in their trading strategies could have a material adverse effect on the value of the Fund's portfolio. Such liquidation crises are independent of any fundamentals and might be similar to the crises that occurred in September 1998 and August 2007.

Disclosure of Intellectual Property and confidential information

The intellectual property and confidential information developed by the Funds for their trading activities could be copied or stolen by third parties (including, potentially, by rogue employees or through failures in the Funds' security systems or processes) who may provide such intellectual property to competitors of the Funds. Even absent a security breach, the Funds or the Squarepoint Group could inadvertently disclose confidential information to third parties. In addition, new regulations or additional scrutiny by regulators may require additional transparency with respect to the trading strategies used by firms deploying quantitative or algorithmic strategies, such as the Funds. For example, additional position-level disclosure obligations have been proposed, as has the tagging of model-driven orders. Even if the regulations often only require reporting to governmental agencies, it is possible that the information will leak out to the public.

In each case, disclosure of the Funds' intellectual property and confidential information would make it more likely that the Squarepoint Group's investment strategies could become known by competitors and could lead to opportunities for competitors to reverse-engineer all or part of the Squarepoint Group's strategies. As a result, the Funds may have correlated trading with funds that trade on the basis of such intellectual property and confidential information, which could have a materially adverse impact on the Funds' trading results.

Open-Source Software, Third-party Claims of Intellectual Property Infringement or Misappropriation

The Squarepoint Group uses software and development tools governed, directly or indirectly, by open-source licenses and may incorporate such software or tools into its proprietary systems. Given the nature of open-source licenses, third parties may assert intellectual property claims against the Squarepoint Group in connection with such open-source licenses.

More broadly, OPS' ability to carry out trading activities depends in part on such activities not infringing or misappropriating the patents, other intellectual property, or trade secrets of third parties. Third parties

may assert that the Funds or Squarepoint Group is employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to technologies or methods of trading related to the Squarepoint Group's technology or trading strategies. The Squarepoint Group may face a claim of intellectual property infringement or misappropriation of trade secrets, if a third party believes that the Funds or Squarepoint Group uses the intellectual property or trade secrets of such third party.

If any third-party patents were held by a court of competent jurisdiction to cover aspects of the Funds' technology or trading strategies, or if the Funds or Squarepoint Group is found to have misappropriated a third party's trade secrets, the third party may obtain injunctive or other equitable relief, which could effectively block the Funds' ability to pursue a trading strategy unless Squarepoint obtains a license. These licenses may not be available on acceptable terms, if at all, or the licensed rights may be non-exclusive, which could result in competitors of the Funds gaining access to the same intellectual property. Defending against claims of patent infringement or misappropriation of trade secrets could be costly and time consuming, regardless of the outcome, and could burden the Funds with substantial unanticipated costs. In the event of a successful claim of infringement or misappropriation against the Squarepoint Group of the Funds, the Squarepoint Group may be forced to: (i) re-engineer its proprietary systems and/or software; (ii) release certain proprietary software code; (iii) make its proprietary software available under the terms of any open source license; (iv) pay substantial damages, royalties or an account of profits made from the infringement; or (v) obtain one or more licenses from third parties – any of which could materially and adversely affect its operations and as a result, negatively impact performance of the Funds.

Cybersecurity Risk

As part of its business, OPS processes, stores, and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the shareholders. Similarly, service providers of OPS or the Funds, especially the administrator, may process, store, and transmit such information. OPS has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to OPS may be susceptible to compromise, leading to a breach of OPS' network. OPS' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by OPS to the shareholders may also be susceptible to compromise.

Breach of OPS' information systems may cause information relating to the transactions of the Funds and personally identifiable information of the shareholders to be lost or improperly accessed, used or disclosed.

The service providers of OPS and the Funds are subject to the same electronic information security threats as OPS. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the shareholders may be lost or improperly accessed, used, or disclosed.

The loss or improper access, use or disclosure of OPS' or the Funds' proprietary information may cause OPS or the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention, or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the shareholders' investments therein.

Eurozone Economic Risk

European financial markets have experienced volatility as a result of being adversely affected by concerns about high government debt levels and further default on or restructuring of government debt. Holders of such sovereign debt, including banks and other financial institutions, could be adversely affected by events such as defaults, restructuring and/or downgrades on these holdings. Furthermore, the ability of governments to support their domestic financial systems would likely be impeded.

It is possible that EU member countries that have already adopted the Euro could abandon the Euro and return to a national currency and/or that the Euro will cease to exist as a single currency in its current form. The effects of voluntary or involuntary abandonment of the Euro on that country, the rest of the European Union, and global markets are impossible to predict but are likely to be negative.

Evolving Regulatory Risks

The legal and regulatory environment worldwide for private investment funds (such as the Funds) and their managers is evolving. Changes in the regulation of private investment funds, their managers and their trading and investing activities may have a material adverse effect on the ability of the Funds to pursue their investment programs and the value of investments held by the Funds. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue their investment programs or employ brokers and other counterparties could have a material adverse effect on the Funds and the shareholders' investments therein. In addition, OPS and/or UK OpCo may, in their sole discretion, cause the Funds to be subject to certain laws and regulations if they believe that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more shareholders.

Regulation in the Derivatives Industry

There are many rules related to derivatives that may negatively impact the Funds, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter ("OTC") instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional "know your counterparty" obligations, documentation standards and capital requirements. All these requirements add costs to the legal, operational and compliance obligations of OPS and the Funds, and increase the amount of time that OPS spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Funds.

These rules are operationally and technologically burdensome for OPS and the Funds. These compliance obligations require employee training and use of technology, and there are operational risks borne by the Funds in implementing procedures to comply with many of these additional obligations.

These regulations may also result in the Funds forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants ("FCMs")), as the use of other parties may be more efficient for the Funds from a regulatory perspective. However, this could limit the Funds' trading activities, create losses, preclude the Funds from engaging in certain transactions or prevent the Funds from trading at optimal rates and terms.

Many of these requirements were implemented pursuant to the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or "EMIR") and similar regulations globally. In the United States, the Dodd-Frank Act divides the regulatory

responsibility for derivatives between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission, and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps and EMIR regulations, that are still in the proposal stage or are expected to be introduced in the future.

Alternative Investment Fund Managers Directive

The AIFMD regulates: (i) AIFMs based in the EU (ii) the management of any AIF established in the EU (irrespective of where an AIF’s AIFM is based); and (iii) the marketing in the EU of the securities of any AIF, whether conducted by an EU AIFM, a non-EU AIFM or a third party.

Pursuant to the AIFMD, OPS, as a non-EU AIFM marketing non-EU AIFs (i.e., the Funds) to persons within the EU, is required to, among other things: (i) confirm that United States and the Cayman Islands regulatory authorities have entered into a cooperation-and-information-sharing agreement with the regulator of each EU country into which the Funds are to be marketed; (ii) confirm that the Cayman Islands is not listed as a non-cooperative country for the purposes of the Financial Action Task Force; and (iii) provide EU investors and the regulators of such investors’ EU countries with the Funds’ annual financial report and certain additional information about the Funds.

The Funds, as a non-EU AIFs managed by a non-EU AIFM, may only be marketed to investors in the EU in accordance with applicable national private placement rules. Each EU country has discretion over its own national private placement rules and has the authority to remove these rules or enact new rules that may require AIFs to become registered with the local regulator before securities can be offered in that country. “Reverse solicitation”, where an EU investor approaches a non-EU AIFM regarding shares in a non-EU AIF, is outside the scope of the AIFMD and remains permissible in EU jurisdictions as it is at present. The Funds, OPS or UK OpCo or Singapore OpCo may be required to take significant measures to comply with national rules implementing the AIFMD in those countries of the EU where the Fund is to be marketed. Compliance with the requirements of the AIFMD and marketing rules in the EU may be costly (e.g., if numerous EU registrations are required) or could require significant amendments to be made to the structure of the Funds (such as redomiciling the Funds, if EU investors were to become the principal target for fund-raising).

Any regulatory changes arising from implementation of the AIFMD may increase the expenses of the Funds, OPS or UK OpCo or Singapore OpCo may impair the ability of OPS or UK OpCo and Singapore OpCo to manage the investments of the Funds or limit the ability to market shares in the future, each of which may materially adversely affect the Funds’ ability to carry out their investment approaches and achieve their investment objectives or impact adversely on returns to shareholders.

MiFID II

The package of European Union market infrastructure reforms known as “MiFID II”, in effect from 3 January 2018, is expected to have a significant impact on the European capital markets. MiFID II increases regulation of trading platforms and firms providing investment services in the European Union.

Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii)

a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets and may result in significant increases in transaction costs.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of Squarepoint Group to execute the investment program.

New rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on Squarepoint Group's ability to receive certain types of goods and services from brokers may also result in an increase in the investment-related expenditure of the Funds.

Regulatory Focus on Algorithmic Trading

Algorithmic trading is the subject of ongoing regulatory attention. The SEC, the CFTC, the FCA, the MAS and ESMA, among other regulators and exchanges, have undertaken efforts to review the impact of algorithmic trading on the functioning of markets and to suggest systems and controls for trading participants to ameliorate any adverse impact. For example, in September 2013, the CFTC published a Concept Release on Risk Controls and System Safeguards for Automated Trading Environments. In October 2012, in response to recent algorithmic trading mishaps, the SEC hosted a technology roundtable to discuss potential measures to promote stability in markets that rely on highly automated systems. As mentioned previously, MiFID II came into effect on January 3rd, 2018, which brought in specific regulations covering algorithmic and high frequency trading. High-frequency trading is subject to intense regulatory focus. Minimum resting periods, higher fees for cancelled trades and circuit breakers have been proposed. It is possible that new regulations may require the Funds to implement additional technology and other controls, which could consume limited internal resources, and thereby impede Squarepoint's ability to pursue other initiatives, including improvements to its strategies. Moreover, it is possible that the Funds may be subject to inquiries and/or examinations by regulators in connection with any investigation of the practices of trading firms that employ algorithmic or high-frequency trading strategies. Any such inquiry or examination is likely to be distracting for the Funds and the Squarepoint Group, consume limited internal resources, and could result in additional expenses that would impact the performance of the Funds.

Capacity Constraints

The Funds may be capacity constrained, meaning that performance may degrade if assets under management become too large. As a result, the Squarepoint Group may seek to reduce the amount of capital invested in the Funds in order to create a portfolio size that it considers optimal to trade, including by distributions and compulsory redemptions as set out in the PPM. Any such compulsory redemptions may not be made on a pro rata basis, with certain investors being mandatorily redeemed before other investors (for example, certain Squarepoint Investors). In addition, if OPS decides not to effect compulsory redemptions and/or chooses to accept additional subscriptions into the capacity constrained Fund, performance of the Funds may be materially adversely impacted.

Leverage

The Funds utilize leverage as part of their investment program, and the amount of such leverage is significant. The Funds use leverage to enhance returns and in particular may leverage certain debt, equity and convertible securities through entering into credit facilities, engaging in related derivatives transactions and short sales and/or otherwise investing in such securities on margin. The Funds have no specific leverage restrictions but leverage is monitored in line with internal guidelines.

Leverage exaggerates the effect on the value of interests in the Funds of any increase or decrease in

the market value of its securities, thus increasing the volatility of the Funds. In addition, monies borrowed are subject to interest costs that may or may not be recovered through appreciation of the securities purchased or the yield from such securities. As a result of recent proposals that may require banking entities to hold higher levels of capital (e.g., Basel III capital ratio rules), the financing costs to which the Funds is subject will likely increase. Any material increase in financing costs would have a material adverse effect on the performance of the Fund. To raise cash to meet a margin call or other payment requirement (including as a result of a sudden precipitous drop in the value of the Fund's portfolio), the Funds may be required to liquidate assets in its portfolio that it otherwise would not liquidate or at a sub-optimal time. In addition, the Funds may be required, or Squarepoint Group may decide, to de-lever the Funds' portfolio, which may result in the liquidation of portfolio positions at a different time than would otherwise be the case. In the absence of specific agreements, securities margin arrangements are generally subject to change or revocation by the lender upon very limited notice and for any or no reason. The lender may demand an increase in the collateral, including requiring collateral equal to the full amount of the borrowings, and, if the Funds are unable to provide additional collateral, the lender could liquidate assets held by the lender to satisfy the Funds' obligations. Liquidation in that manner could have extremely adverse consequences, which may be exacerbated in the event that these changes or revocations are imposed suddenly or by multiple lenders. In periods of market stress, and particularly in periods of stress specific to the Funds, lenders or counterparties may attempt to increase margin levels. Additionally, a simultaneous, broad-based increase in margin among hedge funds generally would likely adversely impact the investments held by the Funds by decreasing demand and increasing supply of those or similar investments.

Loss or Insufficiency of Margin on Derivatives

The Funds engage in derivative transactions pursuant to ISDA master agreements ("ISDAs") with counterparties that are usually major banks or their affiliates. Under the Fund's ISDAs, counterparties may require the Funds to post initial margin at the time of entry into a derivatives transaction, and the initial margin represents an uncollateralized credit risk to the counterparty. Also, the ISDAs provide for two-way variation margin pursuant to which the Funds and the Funds' counterparty post margin to one another to reflect fluctuations in the market value of the derivative. Generally, the dealer bank is responsible for calculating the daily change in margin requirements to be paid by either party due to changes in market prices. However, the dealer bank's calculation, due to error or lack of timely data, may not accurately reflect such market price changes. Although the Funds have the right to dispute the dealer bank's calculation, there can be no guarantee that these dispute mechanisms would work effectively leaving the Funds materially under-collateralized. Further, since the variation margin amount is calculated on the day preceding any dealer default, it is unlikely to reflect fully the cost to the Funds of entering into a replacement transaction on the date of the default, particularly because any default by a dealer bank can have a significant effect on the markets and value of such transactions. As a result, any margin held by the Funds will likely prove insufficient in the case of a major dealer default.

Net Asset Value Triggers

The trading agreements, such as ISDAs, to which the Funds is a party, typically include terms relating to declines in the Fund's net asset value, measured as decrease in the Funds' net asset value by a specified percentage on a monthly, quarterly and/or annual basis ("NAV Triggers"). While a decline in the Funds' net asset value may be the result of a number of factors, including market conditions, withdrawals and/or diminishing performance, NAV Triggers provide a mechanism for the Funds' counterparties and prime brokers to take protective measures to limit exposure to the Funds during a period of decline or volatility. Such protective measures may include requesting additional collateral, imposing other limitations on the Fund's ability to effect trades, closing out the Fund's positions under the relevant agreement on the counterparty's side of the market and at prices determined by the counterparty, setting off other amounts owed by the counterparty or terminating the relevant trading

agreement(s). Further, a termination of an ISDA or a declaration of default by a counterparty also may permit other counterparties to exercise similar rights against the Funds under the cross-default and/or cross-acceleration provisions of other ISDAs and financing agreements. Any of these events could result in substantial losses to the Funds or have an adverse effect on the Funds' ability to trade and carry out its investment strategy.

Counterparty Risk

The Funds are exposed to the credit risk of the banks, brokers, dealers, exchanges, and other counterparties through which it deals, particularly its prime brokers, which currently provide a significant portion of the Fund's financing. The Funds' prime brokers or other financing counterparties hold Funds' assets, including assets held as collateral for margin loans or other financing provided to the Funds. If a prime broker or counterparty becomes insolvent, the assets and/or collateral of the Funds held by such prime broker or counterparty may not be recoverable by the Funds. Further, even if the Funds are able to recover a portion of such assets or amounts, such recovery could take a significant period of time.

The Funds are also subject to risk of loss of its assets on deposit with a sub-custodian in the event of the sub-custodian's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Funds, or the bankruptcy of an exchange clearing house. The Funds are also subject to risk of loss of its assets on deposit with non-U.S. counterparties because non-U.S. regulatory bodies do not uniformly require such brokers to segregate customer funds. The local counterparties are subject to various laws and regulations in various 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 the Funds' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Funds' assets. Investors should assume that the insolvency of any significant counterparty would result in a loss to the Funds, which could be material.

In the case of the bankruptcy of a broker-dealer through which the Funds deal, the Funds may not be able to fully resume trading for some period of time due to its reliance on the insolvent broker-dealer for exchange connectivity and other services. The Funds' potential reliance on a few counterparties is likely to be heightened in any new markets where the Funds trade, at least for some period of time following the Funds' expansion of trading into those markets.

If the Funds' derivatives transactions are cleared through a derivatives clearing organization, the CFTC has issued final rules regulating the segregation and protection of collateral posted by customers of cleared and uncleared swaps. These rules are intended to provide greater protection to customer funds in the event of the insolvency of the customer's clearing firm. However, these rules are new and their operation has not yet been tested during an insolvency event or addressed by a bankruptcy court. The CFTC is also working to provide new guidance regarding prime broker arrangements and intermediation generally with regard to trading on swap execution facilities. If adopted, such guidance is expected to facilitate a greater efficiency in arrangements for execution of such transactions.

Even if a counterparty remains solvent, the Funds may be materially adversely impacted if the counterparty fails to adequately perform its duties and obligations. The Funds rely on service providers for certain key activities (including, without limitation, trading, market data, and reconciliation). Failure of one of these key service providers to perform as expected could negatively impact the Funds.

Short Sale Transactions

Short selling is critical to Squarepoint Group's strategies which typically aim at maintaining a long-short portfolio. Short selling involves selling securities that may or may not be owned by the seller and

borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. In addition, positions that are economically similar to short sales may be established through derivatives trading.

In many jurisdictions, a party is required to borrow or locate shares before selling securities short. From time to time, shares will be unavailable for borrowing and, consequently, the Funds will be unable to carry out intended trades.

Where Squarepoint Group is able to execute a short sale on behalf of the Funds, the Funds face the risk of an unlimited loss, in that the price of the underlying security could increase without limit, exposing the short seller to the unlimited cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Similarly, a short position established synthetically through a derivative could also result in a substantial and possibly unlimited loss if the value of the underlying asset or index actually increases rather than decreases.

Many jurisdictions have imposed restrictions and reporting requirements on short selling. Most recently, in March 2020 many countries introduced pro-longed short selling bans in response to the market volatility resulting from the COVID-19 pandemic. In addition, the European Securities and Markets Authority reduced the threshold at which net short positions must be disclosed to national competent authorities in the European Union. For the US, in 2008, the SEC suspended short selling on over 900 public companies (including issuers in the financial services industry) and, in 2010, the SEC adopted a short sale price test rule, which limited short selling a security following a 10% decline in its trading price. These restrictions and reporting requirements, and any restrictions and reporting requirements enacted in the future, may change the manner in which the Fund trade and may prevent Squarepoint Group from successfully implementing its investment strategies. In addition, reporting requirements relating to short selling may provide transparency to the Funds' competitors as to its short positions, which may have a detrimental impact on the Funds' returns.

Hedging Transactions

Squarepoint Group may seek to limit the Funds' exposure to certain risks by employing hedging techniques, including by using a variety of derivative transactions. There can be no assurance regarding the effectiveness of these techniques or that they will result in increased or more stable returns than would have been achieved had they not been employed. Hedging techniques involve risks different from those of underlying investments. In particular, the variable degree of correlation between price movements of hedging instruments and price movements of the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the Fund's positions. If Squarepoint Group incorrectly assesses the degree of correlation between the positions it aims at hedging and the instruments used to hedge such positions or fails to recalculate or readjust the hedges as markets change or time passes and the characteristics of the Fund's positions change, the Funds may suffer losses.

Hedging techniques may also increase risk through the unintended market impact of hedging transactions, leverage effects associated with hedging positions, the general risks related to the use of derivative instruments, lower liquidity of the hedged and hedging positions relative to an unhedged position, or other factors. In addition, even where Squarepoint Group seeks to hedge a particular risk, a suitable hedging instrument might not be available, might not be identified by Squarepoint Group and/or might not be successfully executed. Hedging instruments are intended only to reduce exposure to certain risks and not to reduce all forms of investment risks.

Although the contemplated use of hedging instruments is intended to minimize the risk of loss resulting from a decline in the value of the hedged position, the use of such instruments may limit any potential gain which might result from an increase in the value of such position. In addition, Squarepoint Group is not obliged to hedge any particular form of risk in any particular situation and may change its investment policies and practices in any manner without notice to or the consent of investors.

Directional Strategies

Some, but not all, of the strategies used by the Squarepoint Group are directional. Directional investing is subject to all the risks inherent in incorrectly predicting future price movements. Price movements may be influenced by unanticipated factors or Squarepoint Group's analysis of known factors may prove inaccurate, in either case potentially leading to substantial losses.

Relative Value Strategies

Some, but not all, of the strategies deployed by the Squarepoint Group are relative value. While relative value strategies aim at being neutral to directional market moves, this does not mean that the Funds will not be affected by adverse market conditions. There can be no assurances that the strategies pursued will be profitable and various market conditions may be materially less favorable to certain strategies than others. Mispricing, even if correctly identified, may not be corrected by the market, at least within a time frame over which it is feasible for the Funds to maintain a position. In the event that the perceived mispricing underlying the Squarepoint Group's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by Squarepoint Group, the Funds may incur a loss.

Use of Discretion

While Squarepoint's trading systems are predominantly algorithmic and mechanical, Squarepoint reserves the right to exercise discretion. No assurance can be given that such use of discretion will enable the Funds to avoid losses and in fact such use of discretion may cause the Funds to forego profits which it may have otherwise earned had such discretion not been used.

Equity Securities and Equity-Related Securities

The Funds invest in equity securities and may also invest in equity-related instruments, such as stock options and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for the issuer's products or services or even the loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which an issuer participates, such as increased competition or costs of production or negative consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or decrease in consumer confidence. These factors and others can cause significant fluctuations in the prices of the securities in which the Funds invest and can result in significant losses.

Squarepoint Group does not perform due diligence on the fundamental soundness of the business model or management of the issuers in which the Funds invest. Squarepoint Group's models do not take into account all, or potentially any, of the factors that contribute to the value of a particular company's equity securities.

Small Capitalization Companies

The Funds may invest in securities of small capitalization companies and recently organized companies and may establish significant long or short positions in such securities. While such securities may provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. Historically, such securities have been more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies typically pose greater investment risks because the issuers may have limited product lines, distribution channels and financial and managerial resources. In particular, small capitalization companies may be operating at a loss or have significant period-to-period variations in operating results; may be engaged in a rapidly changing business with products subject to substantial risk of obsolescence; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; and may have substantial borrowings or may otherwise have a weak financial condition. In addition, these companies 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. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The equity securities of small capitalization companies may not be traded in the volumes typical of larger capitalization companies. Consequently, the Funds may be required to dispose of the securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories may be more speculative and may entail greater risk than investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than for those in larger capitalization companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Commodity Related Instruments

The Funds may invest in commodity-related instruments, such as options, swaps, and futures. The prices of commodities contracts and all derivative instruments may depend upon a number of factors, including the prices of the underlying assets and may be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, the Funds are subject to the risk of failure of any of the exchanges on which they trade, their clearinghouses or the clearing brokers through which their trades clear. In the case of commodity contracts traded on non-U.S. exchanges and certain derivative instruments, the Fund may be subject to the risk of the inability of, or refusal by, the counterparty to perform. In addition, profits realized in non-U.S. markets could be eliminated by adverse changes in the applicable currency exchange-rate, or the Funds could incur losses as a result of those changes.

Certain Metals and Commodities

The Funds may invest directly or indirectly in metals, commodities and similar materials. Since such investments do not generate any investment income, the sole source of return from such investments 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. There is

also a risk that such metals, commodities or similar investments could be lost, damaged or stolen or that access to such investments could be restricted by natural events (e.g., force majeure) or tortious human actions. Markets are therefore at times volatile and there may be sharp fluctuations in prices, even during periods of rising prices.

Energy-Related Investment Instruments and Markets

Certain Funds invest in a wide range of energy and energy-related markets including natural gas, crude and refined oil products, power, coal, emissions, and electricity. The energy and energy-related markets are susceptible to significant short-term price volatility as a result of a variety of factors which are inherently unpredictable, such as weather-related events, rate and tariff regulation, government ownership of certain major market participants, geo-political changes, consumer advocacy and the investment activity of market participants.

The energy markets are also subject to price volatility as a result of breakdowns in the facilities necessary to produce, refine, transport, store and deliver physical energy. Because oil and natural gas are considered important natural resources, substantial profits earned through energy-related commodities trading have attracted significant regulatory, legislative, and public scrutiny and likely will continue to do so.

Trading of physical energy contracts involves risks not typically present in the case of financial contract trading. Squarepoint Group may be at a competitive disadvantage to some participants in the energy markets (for example, natural gas and oil companies) that produce some of the energy products they trade.

Carbon Credit

Certain Funds will invest in transferable instruments whose value is linked to underlying quotas such as carbon credits. The trading markets for carbon credits are still developing and therefore do not possess the attributes of a fully developed market. Therefore, there may be illiquidity, high price volatility and a diminished demand for carbon credits. Price movements of such credits are influenced by, among other things, their current and perceived future market value, the price of natural gas and coal, weather patterns and the level of world economic activity. In addition, international and national regulation of the carbon credit market is still developing and may change in the future due to new legislation, treaties or other governmental regulation. It is impossible to predict the direction and extent of such regulation and this may have an adverse impact on the Funds. The infrastructure in connection with issuance and transfer of certain carbon credits is still developing. Therefore, the timing and volume of delivery of such credits can be uncertain and may be subject to transfer disruptions.

Debt Securities

We may invest in debt instruments that have speculative characteristics. The issuers of such instruments, both corporate and sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Certain debt securities may have features that allow the issuers to prepay or extend the maturity of the debt. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. As with other interest rate products, debt securities are sensitive to changes in interest rates during the term of the bond, affecting the value of the product prior to any call or maturity date.

Convertible Securities

Many convertible securities are not rated investment grade. Securities in the lower-rated and non-rated categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally 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 and non-rated securities, the yields and prices of such securities may be more volatile than those for higher-rated securities. The market for lower-rated and non-rated securities is thinner, often less liquid, and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold and may even make it impractical to sell such securities. The limited liquidity of the market may also adversely affect the ability to arrive at a fair value for certain lower-rated and non-rated securities at certain times and could make it difficult to sell certain securities.

The risk of the issuer of a convertible security that possess high income features undergoing a reorganization under U.S. federal bankruptcy laws or similar laws may be higher than an issuer of a traditional convertible security. As such, there are a number of significant risks associated with investing in companies involved in a bankruptcy proceeding, including, among others, possible adverse effects on the issuer, costs associated with delays in the bankruptcy proceeding, and loss of ranking and priority as a creditor.

High Yield Bonds

Securities in the lower rated categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings or comparable non-rated securities in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated and comparable non-rated securities, the yields and prices of such securities may be more volatile than those for higher rated and comparable non-rated securities. The market for lower rated and comparable non-rated securities is thinner, often less liquid, and less active than that for higher rated or comparable non-rated securities, which can adversely affect the prices at which these securities can be sold and may even make it impractical to sell such securities

Stressed Credits

Any deterioration of underlying market fundamentals could negatively impact the performance of investments in stressed companies. Changes in general economic conditions, tax rates, operating expenses, interest rates and the availability of debt financing may also adversely affect the performance of such investments. For these or other reasons, investments in stressed companies may become "non-performing" after their acquisition, and during an economic downturn or recession, stressed investments are more likely to go into default than securities of other issuers not experiencing financial stress. Securities of stressed companies are also often less liquid and more volatile than securities of companies not experiencing financial difficulties, often involving a higher degree of credit and market risk.

Loans and Other Debt or Debt-Like Instruments

Loans or other debt instruments, including debt-like instruments like preferred equity, are subject to unique risks, including (a) the possible invalidation of an investment transaction as a fraudulent

conveyance under relevant creditors' rights laws, (b) so-called lender liability claims by the issuer of the obligations and (c) environmental liabilities that may arise with respect to collateral securing the obligations.

In addition, if an investment in a loan is structured as a participation, there may be limitations on the holder's ability to directly enforce its rights against the borrower.

Direct Lending

Lending and investments in other debt instruments entail normal credit risks (i.e., the risk of non-payment of interest and principal) and market risks (i.e., the risk that certain market factors will cause the value of the instrument to decline). When originating a loan, a lender expects to rely significantly upon representations made by the borrower. There can be no assurance that such representations are accurate or complete, and any misrepresentation or omission may adversely affect the valuation of the collateral underlying the loan or may adversely affect the ability of the lender to perfect or foreclose on a lien on the collateral securing the loan, or may result in liability of the lender to a subsequent purchaser of the loan. Finally, under certain circumstances, payments to the lender may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Leveraged Companies

Investments in companies whose capital structures have significant leverage are inherently more sensitive than others to declines in revenues and to increases in expenses and interest rates, posing a greater possibility of bankruptcy or default.

Nature of Bankruptcy Proceedings

Investing in companies involved or who may become involved in bankruptcy proceedings presents significant risks, foremost of which are the lack of control over certain events, the bankruptcy filing itself may have an adverse impact on the company, the duration of the proceedings are difficult to predict and may be further impacted by delays, the costs inherent in the process are frequently high, creditors can lose their priority and ranking in a variety of circumstances and representation on a creditors committee may subject the creditor to various trading and confidentiality restrictions.

Interest-Rate and Foreign Exchange-Rate Risks

The prices of assets held by the Funds may be sensitive to interest-rate and foreign exchange-rate fluctuations; such fluctuations could cause the U.S. dollar value of long and short positions to move in unanticipated directions. To the extent that interest-rate and foreign exchange-rate assumptions underpin the hedging of a particular position, fluctuations in rates could invalidate those underlying assumptions and expose the Fund to losses. The Funds are not obligated to hedge its exposure to any risks, including, without limitation, interest-rate and foreign exchange-rate risks.

Real Estate and Real Estate Related Securities.

Some of the risks associated with investments in real estate and/or related derivatives are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, reliance on third party agents, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and

operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants, performance and reliance on tenants, and changes in interest rates.

Investments in REITs, other real estate related securities or indices and fee simple assets and/or derivatives upon these instruments are subject to the risks incident to the ownership and operation of real estate generally.

Structured Products and Structured Finance Securities

Investments in or related to structured products, including but not limited to MBS, collateralized mortgage obligations ("CMO"), commercial mortgage backed securities ("CMBS"), credit risk transfer securities ("CRTs") and ABS. Structured finance securities typically entitle the holders thereof to receive payments of interest and principal that depend primarily on the cash flow from or sale proceeds of a specified pool of assets, either fixed or revolving, that by their terms convert into cash within a finite time period, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product, a diversion of payments from lower tranches of the securitization financing vehicle owned by the Fund to holders of higher tranches, and possibly a complete loss of the Fund's investment therein. The To Be Announced ("TBA") market in MBS comes with inherent counterparty default risks between the date of execution of the trade and the actual settlement date.

The value of an investment in any structured finance security or instrument will depend on the investment performance of the assets in which the structured finance security or instrument invests and will therefore be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law. In addition, if the particular structured security or investment holds collateral in which the Fund is also indirectly exposed to or directly invested, this would tend to increase the Fund's overall exposure to the credit of the underlying collateral, at least on an absolute, if not relative basis. The Fund will not own any underlying assets directly and will therefore not benefit from general rights applicable to the holders of such assets, such as the right to indemnification and the rights to setoff, or have voting rights with respect to such underlying assets, and in such cases, all decisions related to such assets, including whether to exercise certain remedies, will be controlled by the structured finance issuer itself.

Exposure to structured finance securities entails various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, basis risks and legal risks. Structured finance securities are subject to the significant credit risks inherent in the underlying collateral and to the risk that any servicer(s) fail to perform. Structured finance securities are subject to risks associated with their structure and execution, including the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the issuing vehicle and the return to investors in such securities, whether the collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the structured finance instrument) any remaining balance in the accounts may revert to the issuing entity and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such structured finance securities. Structured finance securities structures often incorporate swaps and other derivatives which are subject to counterparty risk.

Some investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying mortgages or other assets generally may be prepaid at any time. The frequency with which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans and other assets underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayments than are MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. Particular investments may experience outright losses, as in the case of an interest only security in an environment of accelerated actual or anticipated prepayments.

Particular investments will be affected by the credit quality of their underlying loan and the creditworthiness of the borrower. Also, particular investments may underperform relative to hedges that Funds may have constructed in these investments, resulting in a loss.

Cryptocurrencies

The Funds may invest in cryptocurrencies, such as Bitcoin. Cryptocurrencies are an evolving product and technology, and an investment therein is subject to a variety of additional risks including, without limitation, technological, security and regulatory risks as well as associated uncertainties over their future existence, support and development. Cryptocurrencies may also experience unusual volatility. Any such investment is highly speculative and subject to the risk that the entirety or a material portion of such investment or its value may be lost. The investment characteristics of cryptocurrencies generally differ from those of traditional currencies, commodities, or securities. Importantly, cryptocurrencies are generally not backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, cryptocurrencies are market-based: a cryptocurrency's value is determined by (and often fluctuates according to) supply and demand factors, the number of merchants that accept it, and the value that various market participants place on it through their mutual agreement, barter, or transactions.

Cryptocurrency Exchanges and Wallets

The Funds may transact with virtual currency exchanges. The Funds will take on credit risk every time it purchases or sells cryptocurrencies, and its contractual rights with respect to such transactions may be limited. The virtual currency exchanges on which cryptocurrencies trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud and failure than established, regulated exchanges for other products. Virtual currency exchanges may impose daily, weekly, monthly or customer specific transaction or distribution limits or suspend redemptions entirely, rendering the exchange of virtual currency difficult or impossible. The Funds may use digital currency wallets provided by exchanges and/or other third parties to hold all or a portion of the Funds' cryptocurrencies. The Funds may not conduct detailed information technology diligence on such third-party wallet providers and, as a result, may not be aware of all security vulnerabilities and risks. Certain third-party wallet providers may not indemnify the Funds against any losses of cryptocurrencies.

Virtual Currency Derivatives

The Funds may trade virtual currency derivatives. Virtual currency derivatives, such as futures or options on futures on a virtual currency, are a relatively new asset class, and trading in these instruments, like trading in the virtual currencies themselves, carries a high level of risk. Investments in virtual currency derivatives, like direct investments in virtual currencies, should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments.

Many of the risk factors associated with trading in virtual currency derivatives mirror, or derive from, risks inherent in virtual currencies as an asset class. Virtual currencies, and thus, virtual currency derivatives, may experience an exceptionally wide range of outcomes. The regulatory schemes—both foreign and domestic—possibly affecting virtual currencies or the virtual currency network may not be fully developed. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting the virtual currency network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use virtual currencies, or to exchange virtual currencies for either fiat currency or other virtual currency.

A principal risk in trading many cryptocurrencies, including Bitcoin, is the rapid fluctuation of their market price. Fluctuations in the price of virtual currencies could have an effect on the price of virtual currency derivatives and both could adversely affect the net asset value of the Funds. Futures exchanges may also limit fluctuations in certain virtual currency derivatives contracts by imposing trading restrictions. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent them from entering into desired trades. If the Funds purchase or sell a virtual currency derivative, they may sustain a total loss of the initial margin funds and any additional funds that they deposits with their broker to establish or maintain their position(s). If the market moves against their position(s), the Funds may be called upon by their broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain their position(s). If they do not provide the requested funds within the prescribed time, their position(s) may be liquidated at a loss, and they will be liable for any resulting deficit in their account(s).

Non-U.S. Investments

The Funds invest in non-U.S. securities and derivatives. Such investing and trading involve special risks not typically associated with investing in and trading U.S. securities and derivatives, including changes in exchange rate and exchange control regulation; the imposition of non-U.S. withholding or other taxes; political, social or economic instability; the possibility of government intervention; less liquid markets; less rigorous (or no) accounting and financial reporting standards; higher transaction costs; greater difficulty in enforcing contractual rights; and more uncertain procedures (if any) for bankruptcy or other reorganization or liquidation proceedings. In addition, in many non-U.S. markets, there is less government supervision of exchanges, brokers, dealers and issuers than in the United States, which may make such entities more likely to fail or experience substantial outages than their U.S. counterparts. In the case of emerging market securities and derivatives, the foregoing risks are likely to be more pronounced. More specifically, the following risks are heightened in the case of emerging markets:

Access to Markets: Some emerging markets have securities markets to which foreign investors have only limited direct or indirect access, or which may require approvals or consents. In addition, there is in some countries a higher possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability, or diplomatic developments (including war) or terrorism which could adversely affect the economies of such countries or the Fund's investments in those countries. These limitations and events may interfere with and/or delay the pricing or trading of securities in emerging market countries for significant periods of time.

Currency Risk: The economies, the currencies, and the financial markets of a number of the emerging markets to which the Funds may be exposed have historically experienced extreme volatility, exposing investments in the markets of those countries to greater than usual risk. This includes risks due to controls imposed by local authorities on foreign exchange and movements in exchanges rates.

Trading Volume; Transparency: Trading volumes on the securities exchanges of emerging markets can

be substantially less than in the developed world, so that executing trades may be slow and cumbersome, and may result in transactions at unfavorable prices. There may be no approved settlement procedure, and trades may be settled by a free delivery of stock with payment of cash in an uncollateralized manner, potentially exposing the Funds to counterparty credit risk. In general, there may be an increased risk of defaults and delays in settlement compared to the markets in more developed economies. Volatility of prices can be greater than in the developed world.

Emerging Markets Banking and Financial Systems; Inflation: The banking and other financial systems of many emerging markets are not all well developed or well regulated. Bank transfer delays, liquidity crises and other problems may arise as a result of the under-capitalization of the banking sector as a whole. Some emerging markets countries in which the Funds may invest have experienced substantial rates of inflation in recent years. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies.

Legal and Tax Systems: The legal and tax systems of many emerging markets are less predictable than most legal systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in many emerging markets are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. In addition, changes to tax treaties (or their interpretation) with countries in which the Funds invest may have significant adverse effects on the Funds' ability to efficiently realize income or capital gains. 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 the Funds, and political or social instability or diplomatic developments that could affect investments in those countries.

Private Investment Activities

The Funds engage in private investment activities, including private debt and equity investments and other types of private investments. Such investments may also include investments that involve taking controlling positions in privately held companies, whether at the outset of the investment or as a result of a foreclosure, restructuring, or other similar transaction subsequent to the initial purchase.

Private investments may be in newly established or existing companies, may be made at any level in the capital structure of such companies, and may be acquired through primary or secondary transactions. In addition, the Funds may make multiple investments in a company or instrument, whether in a single transaction or in multiple follow-on transactions. If a Fund is presented with an opportunity to make a subsequent investment in a company or instrument but fails to do so, such failure may have a material adverse effect on the client's original investment.

Investments in private instruments generally are characterized by a high degree of illiquidity, with the holding periods of such investments frequently lasting several years and possibly indefinitely. The realization of a return, if any, on any such investment (other than amounts generated as current income) generally will occur only upon the partial or complete monetization of such investment, including by means of a dividend, distribution, recapitalization, initial public offering, sale, or similar financial event. Contractual or legal restrictions may delay realization of such an investment beyond the occurrence of any such financial event. Investors must be prepared to bear the risks of a client's owning such investments for an extended and indefinite period of time.

Investments in private instruments generally are expected to be difficult to value, particularly in the absence of a specific liquidity event, readily available information about comparable investments, or a material change in the company, industry, or financial instruments associated with such Investment. Any change in the valuation of such an investment may be, by necessity, highly subjective. Moreover, the difficulty in valuing certain private investments is expected to create conflicts of interest.

The long time horizons of certain private investments may expose a client to shifts in market, economic, political, technological, regulatory, and/or social conditions to an unusual degree. Developments occurring after such an investment is acquired may fundamentally alter the anticipated return on or market for such Investment, prevent the Funds from disposing of such Investment profitably or at all, or subject the client to risk of a complete loss on such Investment.

Any privately held company in which a client may invest might not have stable or reliable revenues (or any revenues at all). The failure of such a privately held company to generate sufficient operating cash flow may lead to insolvency or the inability to repay amounts borrowed from a client (if any) and could result in a partial or total loss of the client's Investment.

There is often little or no publicly available information about privately held companies or private instruments, and any such company or issuer of such instruments may be subject to less rigorous internal financial controls and less rigorous financial reporting standards than a public company or issuer of public instruments. Further, certain investments may be in businesses or financial instruments that have limited transparency, and there can be no assurance that the Funds' investment decision will be based on all relevant information.

The Funds' control over a particular company may be exercised through equity ownership; participation in boards of directors, equityholders' and/or debtholders' committees, or other groups (whether formal or informal); and/or by being involved in litigation. Any involvement in the affairs of any such company may result in special risks that are similar to the risks associated with investments related to stressed or distressed issuers and with a client's obtaining access to sensitive non-public information.

Certain private investment activities are expected to result in a client's incurring various contingent and other liabilities. For example, clients may make certain representations and warranties, and provide indemnification or other guarantees, to a prospective purchaser of an investment held by the client or, conversely, to assume responsibility for certain liabilities or obligations in connection with the purchase of one or more private investments. The liabilities assumed by a client in connection with any such activities may be substantial, whether individually or in the aggregate, could result in losses exceeding the value of any such Investment, and could have a material adverse effect on the client.

A client may make investments in entities having independent management who receive an asset-based fee, performance-based fee, other profit participation, and/or equity for (past, present, or future) services. These management compensation arrangements may be substantial and are not offset against any fees, performance charges, or expenses imposed by the Adviser or its affiliates.

Illiquid and Restricted Securities; PIPE Transactions

The Funds may, and do, invest in private investments in public companies commonly referred to as "PIPE" transactions. PIPE transactions will generally result in a Fund 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. A Fund's ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. 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 a Fund is able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, the Fund may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Fund's investments.

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 operating businesses. Following the acquisition of a target company, a SPAC may exercise some degree of control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until a target company is acquired or a predetermined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is successfully acquired and the securities of the combined company increased in value relative to the pre-transaction value of the SPAC securities. If a SPAC is unable to locate and acquire a target company by the deadline, the SPAC would typically 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 a target company 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 investor in the SPAC may not be able 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 Funds 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, the certain Funds 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 Fund continues to hold interests in the combined company thereafter. There may be limited basis for a Fund 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 combination, it will 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.

Derivative Instruments Generally

The Funds will make extensive use of derivatives. Derivatives are financial instruments that derive their value from, and are valued in relation to, one or more underlying securities, assets, financial benchmarks, indices, or interest rates. Examples include swaps (including equity swaps), credit

derivatives, futures contracts, index futures, forward contracts, options, and contracts for difference. Many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. Transactions in certain derivatives are subject to clearance on a U.S. national exchange and to regulatory oversight, while other derivatives are subject to risks of trading in the over-the-counter markets or on non-U.S. exchanges. Derivatives may entail investment exposures that are greater than their initial margins or option premiums would suggest, meaning that a small investment in derivatives could have a large potential impact on a Fund's performance. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk, and operational risk. For example, the Funds could experience losses if the market for a derivative in its portfolio is, or suddenly becomes, illiquid or if there is legal uncertainty regarding its rights under the agreement governing the derivative instrument.

The regulation of derivatives is evolving globally, and significant changes in such regulation have been enacted or proposed. While there may be benefits to such increased regulation, it may also result in increased costs or margin requirements for transacting in derivatives and could make derivative markets less liquid and more volatile, particularly in the short term while there is uncertainty regarding the impact of the regulation.

Rights and Warrants

The Funds may make investments in rights and warrants. Rights and warrants entitle the holder to buy equity securities at a specific price for a specific period of time. Rights and warrants may be considered more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights with respect to the underlying securities that may be purchased nor do they represent any rights in the assets of the issuing company. Also, the value of a right or warrant does not necessarily change with the value of the underlying securities and a right or warrant ceases to have value if it is not exercised prior to the expiration date.

Swap Agreements

Squarepoint Group may enter into swap agreements on behalf of the Funds. Swap agreements are privately negotiated over-the-counter derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular "notional amount".

While there are many benefits to trading via swap, there are also costs. In some markets, including the US where directed orders are not permitted via swaps, there may be more latency associated with trading equity securities via swap since the Funds cannot directly access certain trading venues when trading via swap. In such cases, the reference price for a swap may be less favorable than it would have been had the Funds been able to access the trading venue directly. In addition, because swap counterparties may be unwilling to provide exposure to specific securities when unable to hedge their resulting exposure, the Funds may not be able to gain exposure to certain issuers when trading via swap. Further, in many markets, swap counterparties will not accept "give up" hedges executed by other counterparties. In those markets (which include the United States), the Funds will not be able to execute positions with a different broker than the broker that provides financing to the Fund.

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 the Fund's exposure to equity securities, long-term or short-term interest rates, non-U.S. currency values, 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 the Funds' portfolio. Swap agreements can take many different forms and are known by a variety of names. The Funds will not be limited to any particular form of swap agreement if Squarepoint Group determines that other forms are consistent with the Funds' investment objective and policies. The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by the Funds, the Funds must have sufficient cash availability to make such payments when due.

Credit Default Swaps

The Funds may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. Credit default swaps can be used to implement Squarepoint Group's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, the Funds may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of the Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Funds may also "purchase" credit default protection even in the case in which they do not own the referenced instrument if, in the judgment of Squarepoint Group's, there is a high likelihood of credit deterioration.

The credit default swap market in high yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the US Treasury Yield curve, among other factors. As such, there are many factors upon which market participants may have divergent views. Squarepoint Group may also enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Futures Contracts

The Funds may trade futures contracts for hedging purposes or for speculative purposes. Futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of futures trading accounts. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor.

Certain futures positions may be less liquid at some times than at other times because certain future exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that the Funds may

indirectly hold or control in particular commodities. The imposition of any of these limits could hinder the Funds' ability to liquidate unfavorable positions in a timely manner.

Foreign futures transactions involve executing and clearing trades on a foreign exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of a foreign exchange or the laws of a foreign country. Moreover, such laws or regulations vary depending on the foreign country in which the transaction occurs. For these reasons, the Funds may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures.

Forward Contracts

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors.

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. Over the Counter options also involve counterparty risk.

Effect of Speculative Position Limits

The CFTC, Self-Regulatory Organizations, and other foreign regulatory authorities have rules limiting the maximum number of futures contracts, options on futures, equity options and equity index options which any person or group may own, hold or control. In applying such limits, these regulators may require aggregation of the positions owned, held, or controlled by related entities. Any such limits may adversely impact the Funds; by way of example, such limits may prevent the Funds from acquiring positions that might otherwise have been desirable or profitable.

In addition, the positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Funds' position limits were aggregated with an affiliate's position limits, the effect on the Funds and resulting restriction on their investment activities may be significant. If at any time positions managed by OPS were to exceed applicable position limits, OPS would be required to liquidate positions, which might include positions of the Funds, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Funds might have to forego or modify certain of its contemplated trades.

New Issues

The Funds at times may purchase equity securities that are issued in initial public offerings registered under the U.S. Securities Act of 1933 (“new issues”). Pursuant to FINRA Rule 5130, certain “restricted persons” may not participate fully in gains or losses from new issues and, conversely, investors that are not restricted persons may be allocated all, or a larger portion than their pro rata share, of the profits or losses relating to such new issue offering. New issue securities in the past have on occasion experienced immediate, sometimes rapid, increases in market value following such offerings. In such cases, certain restricted persons may not receive some or any of the gains from such investment. Conversely, new issue securities may experience a decrease in market value following initial public offerings, in which case certain shareholders who are not restricted persons may receive more than their pro rata share of the losses from such investment.

Currencies

The Funds may trade foreign currency spot trades, forward contracts, and/or other derivatives thereon for hedging and/or speculative purposes. In addition, the Funds may have exposure to currencies through non-US Dollar denominated securities, derivatives, and other instruments that it chooses not to hedge against the US Dollar or any other currency. To the extent the Funds’ assets are unhedged, the value of those assets will fluctuate with US Dollar exchange rates as well as the price changes of the Funds’ investments in the various local markets and currencies. Thus, an increase in the value of the US Dollar compared to the other currencies in which the Funds make its investments reduces the effect of increases and magnifies the effect of decreases in the prices of the Fund’s securities in their local markets. Conversely, a decrease in the value of the US Dollar has the opposite effect on the Fund’s non-US Dollar securities. Exchange rates can change dramatically over short periods of time, particularly during times of political or economic unrest or as a result of actions taken by central banks, which may be intended directly to affect prevailing exchange rates.

Exchange-Traded Funds

The Funds may invest in exchange traded funds (“ETFs”) for hedging and/or speculative purposes. While an investment in a non-leveraged equity index ETF is generally expected to have a lower volatility than an investment in one of a few single stocks and to have a positive correlation to the performance of broader markets, such an investment in an ETF that is specific to an industry or sector may have higher volatility and lower correlation to the performance of broader markets. Authorized participants (who are authorized to create ETFs from their constituent instruments and redeem ETFs into their constituent instruments) manage the supply and demand of ETFs. If an ETF’s constituent instruments become difficult to buy or sell or an authorized participant, for another reason, destabilizes the supply and demand balance of an ETF, the liquidity of the ETF may be adversely affected, and the performance of the ETF may cease to track the prices of its constituent instruments, which could have an adverse effect on the Funds if it is trading that ETF at the time.

In addition, if the Funds invest in ETFs, it will be subject to fees (including, without limitation, management fees and/or distribution fees) in respect of its investment(s) in the ETF(s), which fees will not offset the expense reimbursements and/or fees to which an investor in the Funds may be subject in respect of its investment in the Fund. Moreover, as ETFs are investment companies that are registered under the Investment Company Act, the Funds (as a private investment fund) are limited in the percentage of any single ETF that it can acquire. An ETF may be delisted and liquidated at the discretion of its issuer. Should an entity hold a position in an ETF when it is delisted, such entity may be subject to costs associated with the ETF’s liquidation, counterparty risk against the issuer and additional taxes due to cash distributions from the liquidation. The ability to take short positions in an ETF is subject to borrowing availability. The ability to take optimal positions in ETFs may be adversely affected by one or more ETFs becoming hard to borrow therefore preventing the Funds from entering or maintaining a short position. ETFs on equity indices attempt to track their underlying indices closely. However, the issuer

may in its discretion temporarily introduce ex-index constituents to the ETF, including ex-index equities and foreign currencies. This may introduce risks and tracking errors that are difficult to model to the ETF and that may negatively affect the value of positions in the ETF. Depending on the ETF's structure, investors may be subject to additional taxation on distributions from ETFs.

ETFs listed in countries different from their constituent instruments are subject to additional risks not typically associated with ETFs listed in the same country as their constituents, including: (i) movements in currency exchange rates; (ii) significant events that affect the ETF's underlying value that occur when the ETF's listed exchange is closed; and (iii) risk factors that arise from trading in foreign instruments. ETFs that track non-equity products, such as, volatility, commodities, non-US stocks or foreign exchange and ETFs that use leverage or inverse leverage carry specific risks in addition to those listed above. ETFs that use futures, swaps or other derivatives carry risks listed in sections "Derivative Instruments Generally", "Rights and Warrants", "Swap Agreements", "Futures Contracts" and "Effect of Speculative Position Limits" above in addition to those specific to ETFs.

Money Market and Other Liquid Instruments

The Funds may, from time to time, hold cash, cash equivalents, U.S. Treasuries and other short-term securities or money market funds in order to fund anticipated redemptions or expenses, manage counterparty risk or for such other reasons as determined by Squarepoint Group in its sole discretion. Any such temporary or defensive positions could prevent the Funds from achieving their investment objective. Use of repos to cover settlement, financing or regulatory obligations brings credit risk against the repo counterparty in addition to risks associated with the underlying collateral posted against the repo or settlement risk where the counterparty is unable to deliver the securities.

Engaged Investor

From time to time, a Fund 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 OPS' control, and may be significant, particularly if litigation against each Fund and/or the OPS ensues or if the Funds and/or OPS commence(s) litigation in furtherance of the Fund's 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 Fund's request, in which the Fund invests, will be borne by each such Fund.

The success of each Fund's engaged investment strategy with respect to any specific investment may require, among other things: (i) that OPS properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that each Fund 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 Fund'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.

Funds may secure the appointment of persons to a portfolio company's board of directors, creditor

committees or similar body. It is the policy of OPS that any cash or other compensation paid, or benefits accrued, in either case, to OPS' 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 Funds in such proportion as OPS 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 OPS. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the Squarepoint Group) serving on the board of directors of a portfolio company at a Fund'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 a Fund. 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 Squarepoint Group, 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 of such portfolio company, on the one hand, and any duties that they owe to a Fund, on the other hand.

It should also be noted that any individual serving on the board of directors of a "portfolio company" at each Fund'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 Funds.

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 Fund and such regulatory agencies may independently investigate the participants in a transaction, including each Fund and/or OPS, 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 Fund 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 OPS to obtain the necessary shareholder approvals to implement its strategy. Moreover, securities that OPS believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame OPS 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 Fund 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 a Fund's engaged strategy (including, without limitation, in circumstances where an individual, at such Fund's request, is appointed to a board of directors), the Funds may become privy to information (including material non-public information), which may subject each Fund to trading restrictions (including prohibiting each Fund from trading in certain securities or only permitting each Fund to trade in certain securities during certain periods) pursuant to the internal trading policies of OPS or applicable law or regulations. Such restrictions on the purchasing or selling of securities may have an adverse effect on each Fund.

Section 16 and Hart-Scott-Rodino Obligations

In connection with any acquisition of beneficial ownership by the Fund of more than 5% of any class of the equity securities of a company registered under the Exchange Act, each Fund 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, a Fund 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 OPS and its affiliates, which could require a Fund, together with such other parties, to make certain disclosure filings or otherwise restrict a Fund's activities with respect to such company's securities. If a Fund, 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 Fund may be subject to certain additional reporting requirements, to liability for short-swing 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 Fund 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.

Litigation Risk

In the ordinary course of business, each Fund and/or the Squarepoint Group 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 Fund'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 Fund activities.

The outcome of any legal proceedings, which may materially adversely affect the value of each Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of OPS' time and attention and involve significant expense (which each Fund 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 Fund determining after consultation with the OPS to settle such threatened or actual litigation, will ordinarily be borne by each Fund.

Risks Related to Squarepoint

Key Personnel; Retention

The performance of the Funds depends to a large degree on the efforts of the individuals engaged in the Squarepoint Group's business. Competition among alternative investment managers is intense for the most highly skilled individuals. If a senior person of the Squarepoint Group ceases to be engaged in the business, no assurance can be given that Squarepoint Group would be able to find and recruit a replacement with similar experience or ability or as to the length of time the search for a replacement would take.

Limited Operating History

The Funds may be newly-formed entities which do not have an extensive operating history for prospective investors to evaluate prior to making an investment in the Funds. The investment professionals of Squarepoint Group have been using strategies similar to some of the strategies described herein in their previous roles. However, there can be no assurance that the Funds will achieve results comparable to those that the investment professionals have achieved in the past.

Trade Error Policy

It is the policy of Squarepoint Group that utmost care must be taken when making and implementing investment decisions on behalf of the Funds and Squarepoint Group devotes considerable resources to preventing, identifying, and containing the effects of computer system errors. Squarepoint Group consider these errors to be an intrinsic aspect (and therefore a basic element) of its sophisticated and highly technological trading and execution strategies. To the extent trading errors occur, Squarepoint Group will not be responsible for such errors or any losses resulting from trading errors, except where such errors result directly from Squarepoint Group's gross negligence, bad faith, actual fraud, or willful deceit. As a result of the exculpation and indemnification provisions in the management agreements relating to the Funds, absent gross negligence, bad faith, willful misconduct or actual fraud, trading and other mistakes (including, without limitation, those that result in losses and those that result in gains) may be treated as being for the Fund's account (i.e., investors of the Funds will bear any resulting losses and will benefit from any resulting gains).

Misconduct by individuals engaged in Squarepoint Group's business could cause significant losses to the Funds. Individual misconduct may include binding the Funds to transactions that exceed authorized limits or present unacceptable risks and engaging in unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). In addition, individuals engaged in the Squarepoint Group's business may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities. Although the Funds plan to adopt measures reasonably designed to prevent and detect misconduct, such measures may not be effective in all cases.

ITEM 9 - DISCIPLINARY INFORMATION

From time to time, and in the ordinary course of business, OPS has in the past and may, in the future, be subject to routine, formal or informal regulatory examinations or other inquiries, claims or litigation.

Additional disciplinary disclosure information can be found in Part 1 of Squarepoint's Form ADV within Item 11 and any related DRP pages.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

OPS is registered as a Commodity Pool Operator ("CPO") with the CFTC.

In addition, as mentioned previously in Item 4, OPS is one entity in a family of entities which together will comprise the Squarepoint Group. In addition to UK OpCo and Singapore OpCo, the Squarepoint Group also includes a number of entities that are primarily responsible for IT research and development activities specialized in quantitative finance (especially in the fields of trading software), large-scale computing and data management, statistical financial research, and financial analytics dedicated to financial institutions, and provide the benefits of their expertise to other Squarepoint Group companies. The population of such entities can change from time to time.

The interests of the Squarepoint Group and entities under common control may conflict with the interests of the Funds. The following discussion details certain potential or existing conflicts of interest; however, the following does not purport to be a complete list or description of all of such potential or existing conflicts of interest. Squarepoint Group has established policies to address certain of the conflicts addressed below; however, such policies will not necessarily eliminate or mitigate all effects that such conflicts (and any other conflicts) may have on the Funds.

Squarepoint Group or individuals engaged in the Squarepoint Group's business may from time to time invest, or have one of their affiliates invest, in funds or firms that pursue quantitative trading strategies, including funds or firms that trade the same products in the same markets as Squarepoint Group. Investment in such funds or firms may require substantial time and effort which time and effort might otherwise be expended on managing the Funds. Individuals engaged in the Squarepoint Group's business are not obligated to devote any specific amount of their business time to the affairs of the Squarepoint Group. In addition, each of such persons and their respective principals may perform similar or different services for others and may sponsor or establish other investment funds or manage managed accounts during the same period that they provide services to the Funds, including investment funds and managed accounts that trade the same or substantially similar strategies, markets and/or instruments. Therefore, each of these persons will have conflicts of interest in allocating management time, services and functions among the various entities and accounts for which they provide services.

By reason of the other business or investment activities of the Squarepoint Group, from time to time, the Squarepoint Group may acquire confidential information or otherwise become restricted in their investment activities and are not free to act upon such confidential information. As a result, the OpCos may be restricted from initiating a transaction for a Fund which the OpCos otherwise might have initiated, and such Fund may, as a result, be required to maintain a position that it otherwise might have liquidated, or be required to refrain from acquiring a position that the Squarepoint Group otherwise might have acquired on behalf of such Fund.

Certain Squarepoint Group personnel from time to time serve on the board of directors of, or a creditors' committee in respect of, an issuer in which a Fund invests or is contemplating investing. Such personnel have an inherent conflict of interest between discharging their obligation in such capacities and acting in the interest of such Fund.

The Squarepoint Group or the Funds which it advises may, from time to time, hold investments in vendors or other service providers that provide services of the type utilized by or in connection with the Funds. The investments may incentivize the Squarepoint Group and its affiliates to engage such vendors or service providers to provide services to the Funds, as such engagement may directly or indirectly benefit the Squarepoint Group.

The Squarepoint Group or the Funds which it advises hold minority ownership stakes in certain trading

venues and, in connection therewith, stand to benefit from the profits such venues derive from orders routed to such venues. As such, the Squarepoint Group may be incentivized to route the Funds' transactions to such venues. Notwithstanding the foregoing, the Squarepoint Group will only route the Funds' transactions to such venues if doing so is otherwise consistent with its obligation of seeking to obtain best execution.

A number of the Squarepoint Group's principals and their related persons own a substantial majority of a separate commercial trading business outside the Squarepoint Group, the Squarepoint Trading Group or "STG". Whilst STG generally operates as an independent business from Squarepoint Group with its own investment staff and management teams, it is a corporate client of SGS for Non-Advisory Services.

Whilst the Squarepoint Group and STG each operate businesses that generally do not overlap or compete with one another, overlap may occur and increase over time. This may create competition between Squarepoint Group and STG for finite common resources such as personnel.

The Squarepoint Group and STG do not coordinate their trading activities, and as with any two market participants that do not coordinate trading activities, in the event that there is overlap in trading activities of STG and the Squarepoint Group, STG's activities may inadvertently have adverse impacts on the trading activities and performance of one or more Funds, and vice versa. Such adverse impacts could relate to the availability, pricing, terms or other characteristics of securities or other investments of the Funds. Increases in overlap and competition in business activities will exacerbate the impacts described above.

The Squarepoint Group's principals and their related persons ownership of STG, could incentivize the Squarepoint Group to favor STG in the provision of services.

The Squarepoint Group has established certain policies, including certain information barriers, between the Squarepoint Group and STG that are designed to mitigate and reduce the number of potential conflicts of interest, to protect the confidentiality of information and to prevent the misuse of material non-public information. As a result of these policies, the Squarepoint Group and the Funds generally are not permitted to access certain information in STG, and similarly STG generally is not permitted to access certain information in the Squarepoint Group.

Certain regulations impose limitations on the amount of securities or other instruments that can be held by related parties or require disclosure of, or impose restrictions on purchases or sales of securities or other instruments held by, related parties. Certain of these regulations require the aggregation for regulatory purposes of instruments held by the entities or accounts managed or owned by Squarepoint Group and STG, notwithstanding the separation between Squarepoint Group and STG. As a result, from time to time, such regulations (or policies related to such regulations) prohibit the Funds from acquiring or selling particular securities or instruments, limit the amount of particular securities or instruments that the Funds may acquire or sell, and/or require the Funds to disclose their ownership of such securities.

STG buys and sells investment instruments for its own account, which from time to time raises conflicts of interests, including those described herein in connection with the management of other Funds by the Squarepoint Group. Such transactions may be the same as or different from those which the Squarepoint Group executes for the Funds. The Squarepoint Group may, but will have no obligation to, engage in any transaction or make any investment for the Funds, irrespective of whether STG does so for its own account, and none of the Funds nor any Fund investor will have any first refusal, co-investment or other right with respect to any such transaction or investment.

No specific obligations or requirements are imposed concerning the allocation of the Squarepoint Group's time, effort or investment opportunities to the Funds, and there are no restrictions on the nature or timing of investments for the Funds. Principals of the Squarepoint Group are not obligated to devote

any specific amount of their business time to the affairs of the Squarepoint Group, and the Squarepoint Group is not required to accord any exclusivity or priority to any Fund in the event of “limited availability” investment opportunities and, as a result, conflicts of interest are likely to arise.

Although the Squarepoint Group believes that the terms on which the Squarepoint Group will provide accounting, data processing, investment research, quantitative research and other services to the Funds are reasonable, the Squarepoint Group can give no assurance that any conflicts of interest will be resolved in favor of the Funds.

Shared Personnel

Notwithstanding the separation between the Funds and STG, certain personnel of SGS and its affiliates provide Non-Advisory Services to both the Squarepoint Funds and STG. Moreover, certain senior management of Squarepoint Group are involved in strategic, governance, operational and/or other management decisions or activities related to the Squarepoint Group and STG. With respect to the foregoing shared personnel, certain information sharing is unavoidable and certain conflicts of interest exist in connection with the allocation of such persons’ time and attention among various Funds, and between the Squarepoint Group and STG. The Squarepoint Group has adopted policies to address such conflicts but there can be no assurance that such policies will successfully eliminate or mitigate all of such conflicts in every case.

Certain personnel that provide services to or for the benefit of a particular Fund, including personnel who implement investment strategies on behalf of the particular Fund, also provide similar services to or for the benefit of other Funds, including Funds owned solely or substantially by Squarepoint Group. Certain conflicts of interest arise in connection with the allocation of such persons’ time and attention among various Funds.

The Squarepoint Group will determine, in their discretion, how to allocate its costs and expenses among the Funds, as well as between OPS and STG, including costs and expenses associated with shared personnel, technology, infrastructure, data and other resources. Fees may also be subject to arrangement within written agreements. While the Squarepoint Group believes that its allocation methodology is appropriate, it has not been negotiated on an arm’s-length basis, it involves subjective determinations by the Squarepoint Group and the use of a different reasonable allocation methodology may result in fewer costs being borne by the Funds. The Squarepoint Group can give no assurance that any conflicts of interest associated with such allocation will be resolved in a manner that does not harm the Funds economically or that benefits the Funds appropriately. The Squarepoint Group and its affiliates may change their allocation methodology from time to time without notice to investors.

Squarepoint Group Related Party Transactions

The Funds may invest in, contribute capital to, participate or otherwise deal with, the Squarepoint Group, STG and/or any other person, irrespective of whether the financial, tax or other allocations made by any of the foregoing are made on a pro rata basis. In addition, certain Funds guarantee or otherwise provide credit support for their pro rata portion of certain obligations of the sub-funds.

Any Squarepoint Group or STG principal, employee, contractor, consultant, or affiliate may serve in any capacity with the Funds.

Unrelated Parties on Which Squarepoint Relies

The administrator, the prime brokers, the custodian and/or their respective affiliates currently, or may, act as manager, custodian, registrar, broker, administrator, investment advisor, director, placing agent or dealer in relation to, or be otherwise involved in, other funds and accounts, including funds established

by parties other than Squarepoint Group and funds which have similar objectives to those of the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. At all times, each has regard in such event to its obligations to the Funds and will endeavor to ensure that such conflicts are resolved fairly. The officers and employees of the Funds' administrator are or may be involved in other business activities and are not required to devote any specific amount of time to maintaining the Funds.

In addition, subject to applicable law, any of the above parties may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's-length basis and pursuant to applicable law.

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

The Squarepoint Group has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. Each of Squarepoint Group's permanent employees, officers, directors, partners, and members and most temporary employees and consultants who have worked for the Squarepoint Group for more than six months, (collectively, "employees"), receive training in the Code and are required to acknowledge their receipt and understanding of the Code on an annual basis and upon any material changes.

The Code contains provisions requiring employees to act in the best interests of OPS's clients and to comply with the federal securities laws which govern OPS's activities. The Code also contains OPS's personal trading policies and procedures which govern the personal investing activities of its access persons. OPS's Code requires access persons to disclose all their "covered accounts" (which includes all securities accounts over which employees and certain family members exercise any control or retain a beneficial interest in non-exempt products) to OPS's Compliance department.

Squarepoint Group's personal investment policies permit employees to invest for their personal accounts, subject to certain guidelines and restrictions. All personal securities transactions by employees, by certain members of their family, and in accounts in this population have a beneficial interest, must be conducted in accordance with the requirements of Squarepoint Group's personal investment policies. Among other things, Squarepoint Group's policies require that certain personal securities transactions by employees or certain of their family members be reported and cleared in advance by the compliance department. Certain personal securities transactions are subject to a minimum holding period. Employees must report certain personal securities holdings upon employment and periodically thereafter, and arrange for certain duplicate confirmations and account statements to be sent to Squarepoint Group's compliance department.

Investors and prospective investors in the Funds may obtain a copy of the Code upon request.

As an investment adviser with respect to the Funds, the Squarepoint Group may be subject to additional potential conflicts of interest between the Squarepoint Group or its related persons and the Funds beyond those posed by personal trading. The Advisers Act imposes certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. Therefore, in addition to the Code, the Squarepoint Group has also implemented policies and procedures aimed at mitigating conflicts which may arise in trading based on material non-public information, participation in outside business activities by employees, political contributions, and gifts and entertainment that may be received and/or given by employees. OPS has also adopted policies to ensure that any potential conflicts of interest which are identified are mitigated and resolved in a manner that is consistent with the Squarepoint Group's fiduciary duty to its clients and in compliance with applicable laws and regulations.

ITEM 12 - BROKERAGE PRACTICES

Best Execution

OPS currently has prime brokerage arrangements in place with the brokers enumerated in Item 7.A of Form ADV Part 1A. In addition, OPS maintains an “approved broker list” of trading and execution counterparties. OPS’s selection of broker-dealers and other counterparties is overseen by a Brokerage and Best Execution Committee which is comprised of the Global Head of Operations and representatives from the investment and research divisions of the Squarepoint Group. In selecting trading and other counterparties, and evaluating the performance of those counterparties, the Brokerage and Best Execution Committee takes into account a number of factors, including, without limitation, commission and financing rates, trading and technology infrastructure (including speed and reliability of execution), stock lending supply and rates, ability to execute and process transactions with appropriate levels of confidentiality, quality of trade ideas received from desk-based analysts, operational processes, and the financial strength, integrity, and stability of the broker or counterparty. The Brokerage and Best Execution Committee meets tri-annually, or more frequently if required, and is responsible for allocating trade flow and establishing the commission budget as well as evaluating best execution and monitoring counterparties.

In no event will Squarepoint Group select a broker-dealer or will the Funds pay a higher commission than would otherwise be paid as a means of remuneration for the referral or affording Squarepoint Group with the opportunity to participate in any capital introduction program.

Trade Aggregation and Allocation

Squarepoint has the authority to aggregate orders of multiple clients and net orders of multiple clients in certain circumstances. Such aggregating of orders might facilitate overall execution and reduce brokerage and other costs. Squarepoint has sole discretion when determining that a particular set of orders should or should not be aggregated. In the circumstances where orders are aggregated or netted, we have implemented procedures that are reasonably designed to ensure that aggregated resulting transactions (i) are allocated on a fair basis, (ii) do not systematically advantage one fund over another, and (iii) are carried out in a manner that complies with applicable regulatory requirements, (iv) are done consistent with this, and any other, client disclosure and (v) receive client consent when required by rule or regulation..

Positions purchased or sold in an aggregated or netted transaction are allocated to the participating clients (which may include Higher Fee Funds) using methods determined by Squarepoint in our sole discretion. These methods may include, but are not limited to, pro rata by order size, pro rata by assets under management, fixed proportion per client determined prior to the execution of the trade, and allocation to a client that is furthest from meeting a risk metric that can be satisfied by the position. Additionally, Squarepoint may, on a case by case basis, increase or decrease the transaction amount allocated to each client to avoid holding odd lots or small numbers of positions for particular clients, to meet liquidity requirements, to satisfy macro risk parameters set by investment personnel, to avoid a misallocation of fills, or for legal/regulatory reasons (including a desire to avoid or minimize a regulatory filing, disclosure or other obligation). If we are unable to or do not fully execute an aggregated transaction or we determine that it would be impractical to allocate a small number of positions among all of the accounts initially intended to participate in the transaction, we may allocate such positions in a manner determined in good faith to be an appropriate allocation. In addition, Squarepoint may charge or credit clients participating in any resulting transaction with i) prices applicable to any filled orders allocated to a client, ii) the average price of various prices received for that order, or iii) with a price determined to be an appropriate price. While it is anticipated that, over time, aggregating orders will benefit each client overall, such an approach may disadvantage certain clients, including without limitation by resulting in shares allocations of filled orders or worse execution prices for client orders. Alternatively, not bunching

or aggregating orders may disadvantage certain clients, including without limitation by resulting in higher costs or worse execution prices for such orders.

When aggregating orders for multiple clients, Squarepoint will determine which entity will face the external counterparty. If one of Squarepoint's clients is chosen to execute the aggregated order, that client will bear the risk that one of the other clients will default on its portion of any trade and that the client this is party to the contract will be liable for the defaulted obligation. Where one of our clients is not the party to the contract and expects to be allocated a portion of the trade, it bears the risk that the client that is party to the contract will default, which may result in the cancellation of trades made on behalf of the client that is not party to the contract.

Soft Dollars

Squarepoint Group currently only uses commissions to obtain research and brokerage services to the extent permitted by local regulations, such as permitted research and brokerage services within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; software that provides trade analytics and trading strategies; corporate governance research and rating services; investment and economic recommendations; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; access to hardware that cannot otherwise be accessed in certain markets; technological solutions relating to data distribution, data center space; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. In those situations, the commissions paid on transactions with those broker-dealers or merchants providing such services may exceed the amount another broker-dealer or merchant would have charged for effecting such transactions.

Should Squarepoint Group elect in the future to use Commissions arising from a Fund's investment transactions for services other than research and brokerage, such usage will be limited to services that would otherwise be a Fund expense. The use of Commissions to obtain such other services would be outside the parameters of Section 28(e).

Research and brokerage services obtained by the use of Commissions arising from a Fund's portfolio transactions are used by Squarepoint in their investment activities and may provide benefit to other Funds. Squarepoint does not seek to allocate soft dollar benefits proportionately based on the Fund which generated such soft dollar credits.

The use of Commissions (or certain mark-ups or markdowns) to obtain research and brokerage products and services can raise other conflicts of interest. For example, Squarepoint Group will not have to pay for the products and services itself. This creates an incentive to select or recommend a broker-dealer based on Squarepoint Group's interest in receiving those products and services (or the ability to instruct such a broker dealer to pay a third-party vendor for these products and services).

With regards to MiFID II and as it relates to UK OpCo, to the extent that UK OpCo uses third party investment research, as defined by MiFID II, it will do so consistent with requirements regarding acceptable methods to pay for investment research. Investment research may be received in return for direct payments made by UK OpCo out of its own resources or by payments from a separate research payment account ("RPA") funded by Clients and controlled by UK OpCo.

ITEM 13 - REVIEW OF ACCOUNTS

OPS will monitor the trading activity and portfolio holdings of the Funds on an ongoing basis to ensure that trading activity is consistent with the general investment objectives of the Funds as outlined in the PPM. The review process will address the risk limits across regions, strategies, and asset classes as well as updating the overall risk limits for the portfolio.

The Funds' administrator will provide monthly reports on shareholder accounts in the Funds and certain other information. Each investor in the Funds will also be furnished with a set of audited financial statements for each relevant fiscal year and, where applicable, a Schedule K-1 indicating such investor's share of the Funds' income, gain, loss, deductions, and credits relevant for U.S. federal income tax purposes.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

The Squarepoint Group may receive certain services (including, without limitation, capital introduction and hedge fund consulting) from prime brokers or other counterparties with whom the Squarepoint Group conducts business at no additional cost. This could present a conflict of interest with respect to the selection of such counterparties, though the Squarepoint Group understands that the benefits received through these relationships generally do not depend on the volume of transactions directed to a particular counterparty.

ITEM 15 - CUSTODY

OPS does not maintain physical custody over the Fund's assets. However, under the provisions of the Custody Rule, Rule 206(4)-2 under the Advisers Act, OPS is deemed to have custody over the assets of the Funds. OPS will comply with the annual audit provisions of the Custody Rule, and each of the Funds will be audited in accordance with United States Generally Accepted Accounting Principles (US GAAP) and the audited financial statements of the Funds will be distributed to all investors within 120 days of the relevant Fund's fiscal year end.

ITEM 16 - INVESTMENT DISCRETION

OPS has discretionary authority to manage the assets of the Funds. OPS' discretion is exercised in a manner consistent with the stated investment objectives and guidelines of each Fund. The procedures followed in assuming this authority are outlined in each Fund's governing documents.

When OPS or the Funds grant discretion to a sub-adviser, that sub-adviser makes the trading and investment decisions pursuant to the terms of the sub-advisory agreement and consistent with the stated objectives, guidelines, and restrictions of the particular account for which discretion has been granted.

ITEM 17 - VOTING CLIENT SECURITIES

The investment strategy employed by the Squarepoint Group will not be influenced by the outcome of proxy contests and OPS has determined that the benefit which would accrue to the Funds from proxy voting is heavily outweighed by the costs associated with voting proxies. Therefore, OPS will generally abstain from voting proxies in client accounts as it is seen as being in their best interests. In circumstances when OPS sees voting to be in the client accounts overall benefit, OPS will do so.

Third party sub-advisers that have been granted discretion over the management of funds will also have the authority to vote client securities. This raises the potential conflict of voting being exercised in opposing directions by different third-party sub-advisers for the same client account or Fund.

With effect from November 2022, new rule 14Ad-1 requires managers subject to the reporting requirements of section 13(f) of the Exchange Act to report annually on Form N-PX each say-on-pay vote over which they exercised voting power. The Squarepoint Group and the Funds it manages do not vote on executive compensation of public companies.

ITEM 18 – FINANCIAL INFORMATION

A balance sheet is not required to be provided as OPS (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.