

SIGHTWAY CAPITAL

March 28, 2024

This Form ADV Part 2A Brochure provides information about the qualifications and business practices of TSPI, LP, doing business as Sightway Capital. If you have any questions about the contents of this brochure, please contact Sightway Capital at (212) 625-5700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

TSPI, LP is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Important Note about this Brochure

This brochure is not:

- An offer or agreement to provide advisory services to any person;
- An offer to sell interests (or a solicitation of an offer to purchase interests) in any fund; or
- A complete discussion of the features, risks or conflicts associated with any fund or advisory service.

As required by the Advisers Act, the Adviser provides this brochure to current and prospective clients and may also, in its discretion, provide this brochure to current or prospective investors in a fund, together with other relevant offering documents, such as a fund's offering memorandum, prior to, or in connection with, such persons' investment in such a fund. The delivery of this brochure to an investor or prospective investor in a fund is not an acknowledgement that the investor or prospective investor is a client under the Advisers Act or that there is any direct client relationship with the Adviser.

Additionally, this brochure is available through the SEC's Investment Adviser Public Disclosure website. Although this publicly available brochure describes investment advisory services and products of the Adviser, persons who receive this brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this brochure may differ from information provided in relevant offering documents. More complete information about each product managed by the Adviser is included in relevant offering documents, certain of which may be provided to current and eligible prospective investors only by the Adviser. To the extent that there is any apparent conflict between discussions herein and similar or related discussions in any offering documents, the relevant offering documents shall govern and control.

Item 2. Material Changes

This Form ADV, Part 2A brochure (“Brochure”) provides information about Sightway Capital, a business of TSPI, LP, and its private investment fund clients. Sightway Capital filed its most recent Form ADV Part 2A on March 31, 2023. This annual amendment includes changes to improve and clarify the description of Sightway Capital’s business practices, risk factors and conflicts of interest, including risks associated with: the determination of “Impaired Value Investments” (as further detailed in Items 5 and 8), reliance on individuals, regulatory change, artificial intelligence, machine learning technologies and certain service providers, intermediate entity and investment-level borrowing in relation to fund portfolio investments, and certain other matters responsive to evolving industry best practices. TSPI, LP advises other clients under different lines of business. Such additional lines of business and the services provided thereunder are described in a separate Form ADV, Part 2A brochure for TSPI, LP available on www.adviserinfo.sec.gov.

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Item 4. Advisory Business

TSPI, LP (the “Adviser” or “Sightway”) is a Delaware limited partnership that provides investment advisory services to privately offered investment funds. The Adviser commenced operations as Sightway Capital, LP in January 2018, and changed its legal name to TSPI, LP on August 18, 2020. Two Sigma Management, LLC is the general partner of the Adviser. Trusts established by John A. Overdeck and David M. Siegel are the principal owners of the Adviser.

This Brochure relates to the investment advisory activities conducted by the Adviser under its Sightway Capital business line. The Adviser has other business lines that separately manage funds and accounts with different investment strategies. The Adviser’s Sightway Capital advisory clients consist solely of the following private investment funds. Further information regarding the investment strategy and terms of the private investment funds are detailed in their respective offering documents.

Sightway Funds

The Adviser currently manages Sightway Fund I (comprised of Sightway Capital I (Domestic), LP, Sightway Capital I (Offshore), LP and a fund-of-one co-investment vehicle established to facilitate certain investments alongside Sightway Fund I and certain other investments for a single investor “Sightway I Fund-of-One”) (together, the “Sightway Funds”). The Sightway Funds generally seek to build platform companies in asset intensive industries (these investments and investments made by the TSPI Fund (defined below), generally referred to as “portfolio investments” or “portfolio companies”).

The strategies the Sightway Funds pursue are long-term and discretionary in nature. The Sightway Funds generally seek to achieve absolute returns commensurate with a corresponding level of investment and liquidity risk. As manager of the Sightway Funds, the Adviser identifies and evaluates investment opportunities, negotiates the terms of investments, manages and monitors investments and seeks to achieve dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. Where such investments consist of portfolio companies, the senior principals or other personnel of Sightway or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Sightway Funds have invested. Investors in the Sightway Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Sightway Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Fund Agreement (as defined below). Such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. The Sightway Funds or the applicable general partner entity generally enter into side letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Fund Agreement with respect to such investors. Other than those restrictions set forth in the applicable Fund Agreement, investors generally may not impose restrictions on investing in certain securities or certain types of securities.

Sightway Fund I was formed to acquire interests in (and to further capitalize, develop, manage and dispose of) an existing pool of nine platform investments that were previously held, directly or indirectly, by a legacy private fund vehicle (Two Sigma Private Investments Fund LLC, or the “TSPI Fund”), the equity of which is directly or indirectly owned by current or former partners and personnel (or their estate planning or other similar vehicles) of the Adviser, Two Sigma Investments, LP (“TSI” and, together with the Adviser and its other affiliates, “Two Sigma” or “Two Sigma Affiliates”) and other Two Sigma Affiliates. The TSPI Fund is discussed further below.

Securitized Asset Funds

The Adviser acts as manager to SWC Funding LLC (“Securitized Asset Fund”) (together with the Sightway Funds, the TSPI Fund and any future vehicles managed under Adviser’s Sightway Capital business line, the “Private Investment Funds” or “Funds,” and each individually a “Fund”) and its wholly-owned subsidiary, SWC Holding LLC (“SWC Holding”). The equity of the Securitized Asset Fund is directly or indirectly owned by current or former partners and personnel (or their estate planning or other similar vehicles) of the Adviser and its affiliates. The sole member of the Securitized Asset Fund is the TSPI Fund (in such capacity, the “SWC Member”). The Securitized Asset Fund is managed by a board of three or more directors as designated by the SWC Member.

The Securitized Asset Fund issued collateralized fund obligations (“Notes”), which are owned by third-party noteholders (“Noteholders”). The Notes were issued pursuant to an indenture (the “Indenture”) between the Securitized Asset Fund and Wells Fargo Bank, National Association as trustee (the “Trustee”) and are secured by (i) the Securitized Asset Fund’s limited liability interests in SWC Holding, its wholly-owned subsidiary, (ii) certain bank accounts of the Securitized Asset Fund and (iii) the proceeds of distributions that the Securitized Asset Fund receives from SWC Holding’s interests.

The Securitized Asset Fund owns a portfolio of investments (“Third-Party Fund Investments”) in pooled investment vehicles managed by third-party general partners and/or investment managers (“Third-Party Fund Managers”), which investments were each acquired from the TSPI Fund. The Adviser manages the Third-Party Fund Investments and performs various other management services, including the selection of subsequent Third-Party Fund Investments. The assets of the Securitized Asset Fund consist primarily of interests in its underlying investment holding vehicle (SWC Holding), whose assets in turn primarily consist of the Third-Party Fund Investments. The Adviser expects that the Securitized Asset Fund will invest in certain eligible investments for cash management purposes.

SWC Holding may acquire additional Third-Party Fund Investments from, or sell Third-Party Fund Investments to, the TSPI Fund in the future. The board of the Securitized Assets Fund established an independent conflicts advisory board (the “Conflicts Advisory Board”) that is responsible for reviewing and consenting on behalf of the Securitized Assets Fund to any further transfers of assets from TSPI Fund to SWC Holding that could reasonably be deemed “principal transactions,” in accordance with the Advisers Act Section 206(3) requirements. SWC Holding may also sell Third-Party Fund Investments to the TSPI Fund pursuant to and subject to the limitations contained in the pertinent investment management agreement. To the extent such dispositions could reasonably be deemed “principal transactions,” they will be submitted to the Conflicts Advisory Board for approval.

The TSPI Fund

The TSPI Fund's investments are generally in markets which it perceives to have limited efficiency and liquidity and in private entities, seeking to capitalize on investment opportunities that potentially offer significant illiquidity premiums, including across private equity, credit and special opportunities, real assets and infrastructure, real estate and venture capital. The TSPI Fund, which is owned by current or former partners and personnel (or their estate planning or other similar vehicles) of the Adviser and other Two Sigma Affiliates, aims to achieve U.S. dollar-denominated returns by building a portfolio of investments, with a focus on diversification from and low correlation with hedge funds managed by affiliates of the Adviser that specialize in process-driven, systematic investment management employing mathematical strategies. The TSPI Fund focuses on private investments that are not traded on a liquid market, including through direct investments in operating entities and other non-public companies, investments in private investment funds managed by unaffiliated third-party managers, investments in other private investment funds that are private-equity style or closed-ended in nature managed by the Adviser, including the Sightway Funds, and investments in venture capital funds managed by its affiliate Two Sigma Ventures, LP ("TSV"), including Two Sigma Ventures I, LLC, Two Sigma Ventures II, LLC, Two Sigma Ventures III, LP and Two Sigma Ventures Opportunity Fund, LP (the "TSV Funds"). Additionally, the TSPI Fund invests in privately placed investments and investment vehicles, including vehicles and other investments that are managed by the Adviser or an affiliate of the Adviser, as well as investments and investment vehicles that are managed by Third-Party Fund Managers. The TSPI Fund also owns all of the equity of the Securitized Asset Fund.

In certain instances, the TSPI Fund has acted as a seed investor or anchor capital investor (collectively, the "Seeding Strategy") to new or existing Funds or funds managed by an affiliate ("Affiliate Funds") using different techniques (*e.g.*, in-kind as well as cash contributions) and forms. For example, certain investments by the TSPI Fund took the form of significant capital commitments which entitled the TSPI Fund to certain additional rights and benefits, such as governance rights, reporting and information rights, investment or co-investment rights and/or reduced management fees or performance fees/allocations (which may be effected through rebate, offset or other mechanisms), while others took the form of in-kind contributions of certain portfolio investments to a new Fund (collectively, "Seed Investments").

Co-Investments

The Adviser has provided, and as permitted and required by the pertinent Fund Agreement, expects to continue to provide (or agree to provide), co-investment opportunities (including the opportunity to participate in co-invest vehicles and fund-of-one vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, the Adviser's personnel (or their estate planning or other similar vehicles) and/or certain other persons associated with the Adviser and/or its affiliates (*e.g.*, a vehicle formed by the Adviser's principals to co-invest alongside the relevant Private Investment Fund's transactions). For strategic and other reasons, co-investors or co-invest vehicles (including co-investing funds) have purchased, and in the future are expected to purchase, a portion of an investment after the relevant Private Investment Fund has consummated its investment in the applicable portfolio investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-

investor or co-invest vehicle generally occurs shortly after the Private Investment Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Private Investment Fund's initial purchase. Where appropriate, and in the Adviser's sole discretion, the Adviser reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Private Investment Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Private Investment Fund.

The Adviser's advisory services to the Funds are detailed, as applicable, in the relevant private placement memoranda or other offering documents (each, a "Memorandum"), investment management agreements, limited liability company or other operating agreements or governing documents of the Private Investment Funds (each, a "Fund Agreement") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." In performing investment advisory services for the Funds, the Adviser relies on Two Sigma to provide advisory personnel and certain services. The services of TSI are described in more detail in "Item 8. Methods of Analysis, Investment Strategies & Risk of Loss— Affiliated Data-Analytics Providers; Reliance on TSI."

As of December 31, 2023, the Adviser has regulatory assets under management of \$2,379,764,040 attributable to its Sightway Capital business and the investment strategies described in this Brochure that it generally manages on a discretionary basis, although certain investments on behalf of SWC Holding and certain fund-of-one vehicles associated with Sightway Fund I require approval.

Item 5. Fees & Compensation

In general, Sightway receives a management fee and a carried interest in connection with the provision of its advisory services to its clients under its Sightway Capital business line. The Adviser or other Two Sigma entities or affiliates receive additional compensation in connection with management and other services performed for portfolio investments of the Funds and such additional compensation will not, in all cases, offset Management Fees (as defined below) otherwise payable to Sightway to the extent provided by the applicable Fund Agreement. In addition, in certain circumstances Sightway receives compensation for management and other services performed in connection with co-investments made in portfolio investments of the Funds. Investors in the Funds also bear certain expenses.

Management Fees

Sightway Funds: The Sightway Funds will generally pay the Adviser or its affiliate, quarterly in advance, a management fee (the “Sightway Fund Management Fee”), as more fully described in the applicable Sightway Fund’s Fund Agreement. Investors participating in a closing after the initial closing of a Sightway Fund typically bear the Sightway Fund Management Fee from the date of the initial closing. As more fully described in applicable Fund Agreement, the Sightway Fund Management Fee payable is typically reduced by an amount equal to certain fees (“Transaction Fees”) received by certain persons affiliated with Sightway. Subject to the terms of the applicable Fund Agreement, Transaction Fees include certain closing fees, investment banking fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors’ fees and other similar fees (whether in the form of cash, securities or otherwise) received from portfolio investments or prospective investments, less certain reimbursements. The applicable Fund Agreement specifies certain amounts that do not offset the Sightway Fund Management Fee. As described in greater detail in the following paragraphs, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the applicable Fund Agreement. As a general matter, the Sightway Fund Management Fee will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the governing documents provide that the Sightway Fund Management Fee will be calculated and charged on a basis that generally is not tied to such Sightway Fund’s then-current net asset value. As further specified in the applicable Sightway Fund’s Fund Agreement, for the period from the effective date of the Sightway Fund until the expiration of its term, Sightway Fund Management Fees generally will be charged based on the amount of the relevant Sightway Fund’s aggregate investment contributions made or payable (including, as required by the applicable Fund Agreement, a Fund borrowing component) for portfolio investments (or the portion thereof, as applicable) that have not been (i) disposed of or realized (in whole or in part), (ii) completely written-off for U.S. federal income tax purposes, or (iii) otherwise written-off or permanently written down in a manner that requires a reduction in the Sightway Fund Management Fee base pursuant to the applicable Sightway Fund’s Fund Agreement (such investments with a reduced Sightway Fund Management Fee base pursuant to the applicable Fund Agreement as a result of (i), (ii) or (iii) above, as applicable, “Impaired Value Investments”). Such calculation methodology is further specified in the applicable Sightway Fund’s Fund Agreement. Pursuant to the Sightway Funds’ Fund Agreements, even where the fair

market value of an investment falls below the total amount of investment contributions relating to such investment, Sightway Fund Management Fees will generally not be calculated based upon the depreciated value (other than depreciation resulting in an investment being an Impaired Value Investment pursuant to the applicable Fund Agreement), and will instead continue to be calculated based on the amount of investment contributions as described above. Conversely, the Sightway Funds' Fund Agreements generally do not require the Sightway Fund Management Fee to be reduced or refunded following the occurrence of a write-down, decrease (including a significant decrease) in fair value or other event not constituting a disposition or realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except to the extent such event results in an investment meeting the relevant Impaired Value Investment standard under the applicable Sightway Fund's Fund Agreement.

As a result, and as is generally the case for private equity funds, the amount of Sightway Fund Management Fees generally will not correspond with fluctuations in the net asset value of a Sightway Fund's individual investments, including following the relevant investment period, and will not be reduced or refunded in connection with any write-downs (other than permanent write-downs to the extent specified in the applicable Sightway Fund's Fund Agreement), except in the case of Impaired Value Investments. The applicable Sightway Funds' Fund Agreements set forth the full list of terms under which Sightway Fund Management Fees will be reduced, offset or otherwise be limited (*e.g.*, those resulting from a dividend recapitalization or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the disposition or realization of the relevant Private Investment Fund's interest therein, and even in cases where the value of the Private Investment Fund's investment or the Private Investment Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction), and investors should expect to bear the full specified Sightway Fund Management Fee in the governing documents until the date(s) specified therein. In many circumstances, the Sightway Fund Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Sightway Fund Management Fees generally will not be reimbursed or refunded under the Sightway Funds' Fund Agreements in the event of realizations, dispositions, write-downs or write-offs that occur partway through the relevant payment period.

As a matter of practice, the Adviser expects that it will be paid fees of the type referred to above from, on behalf of or with respect to co-investors in an investment as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Sightway Fund Management Fee payable by the Sightway Funds and as a result the Sightway Funds will, in most cases, only benefit with respect to the relevant allocable portion (on a fully diluted basis) of any such fee and not the portion of any fee related to (i) general partner or affiliated partner commitments (which may be significant) or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Adviser, service providers, third parties, current or former portfolio company management, or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. In certain circumstances, the Adviser expects to agree to allow co-investors or other parties to share a portion of the Transaction Fees from a particular investment, and any applicable reduction in the Sightway Fund Management Fee will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable

Sightway Fund's Fund Agreement, the Adviser may retain certain Affiliated Service Providers (as defined below) to provide services to (or with respect to) certain portfolio investments of a Sightway Fund. Such Affiliated Service Providers may receive compensation and other amounts described herein from the relevant portfolio companies or Sightway Funds to which they provide services, but no such amounts would result in additional offsets to the Sightway Fund Management Fee.

TSPI Fund: The Adviser does not receive a management fee with respect to the TSPI Fund.

Securitized Asset Fund: The Adviser receives a management fee (the "Securitized Asset Fund Management Fee") (together with the Sightway Fund Management Fee, "Management Fees") from the Securitized Asset Fund in an annual amount equal to 0.15% of the Securitized Asset Fund's net asset value, payable quarterly in arrears on the distribution dates described in the Indenture. The Securitized Asset Fund's obligation to pay the Securitized Asset Fund Management Fee shall be subject to, and in accordance with, the terms of the Indenture (including the priority of payments, as described in the Indenture).

Performance-Based Compensation

Sightway Funds: A Sightway Fund's general partner is generally entitled to receive a carried interest with respect to such Sightway Fund subject to a preferred return, as more fully described in the applicable Sightway Fund's Fund Agreement. The carried interest distributed to the applicable Sightway Fund's general partner is subject to a potential clawback or giveback at the end of life of the Sightway Fund if the applicable general partner has received excess cumulative distributions and at certain interim intervals as provided in the Fund Agreement. Principals or other personnel of the Sightway Team (defined below) will generally receive a portion of the carried interest or other compensation received by the Adviser or its affiliates.

TSPI Fund: The Adviser (or a related person of the Adviser) is entitled to receive an incentive allocation ("Incentive Allocation") from the TSPI Fund in an amount equal to 10% of the net profits, if any, allocated to each investor in the TSPI Fund for each fiscal quarter or year, as applicable (and in certain cases, greater amounts depending on the TSPI Fund's performance); provided that the TSPI Fund may have Incentive Allocations taken more or less frequently. Adviser expects Incentive Allocations to be subject to adjustment for any previously unrecovered net losses allocated to each investor in prior periods, subject to certain other adjustments and provisions including adjustments to reflect the commercial arrangements in connection with investments in affiliated funds. The Adviser is permitted to exempt certain investors in the TSPI Fund from payment of all or a portion of the Incentive Allocation. The TSPI Fund's managing member reserves the right to make any such from fees and/or carried interest by a direct exemption or a rebate by the Adviser and/or its affiliates, or through other funds which co-invest with the TSPI Fund. The Adviser has reserved the right to waive, reduce or calculate differently the allocation of the Incentive Allocation, in whole or in part, whether by reduction, rebate or otherwise, with respect to any investments held directly or indirectly by the TSPI Fund or any investor (including its affiliates or other parties). The Adviser's investment professionals and certain other personnel (including, among others, specialists in fund management, portfolio operations, transaction structuring and management, risk and analytics, the "Sightway Team") will generally receive a portion of the Incentive Allocation or other compensation received by the

Adviser or its affiliates.

Securitized Asset Fund: The Adviser does not receive performance-based compensation with respect to the Securitized Asset Fund.

Other Fees and Expenses

Sightway Funds: In addition to the Sightway Fund Management Fee and carried interest payable to Sightway, the Sightway Funds bear certain expenses. As set forth more fully in the Fund Agreement (and subject to the specific terms set forth therein), each Sightway Fund bears all fees, costs, expenses, liabilities and obligations relating to the Sightway Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio investment or applied to reduce the Sightway Fund Management Fee; but not the Adviser's ordinary overhead and administrative expenses (such as compensation of its internal legal, accounting, administrative or compliance personnel).

A Sightway Fund also bears expenses indirectly to the extent a portfolio investment (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. The Sightway Fund's general partner reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. Excluded from a Sightway Fund's expenses are ordinary administrative and overhead expenses of the Sightway Fund's general partner incurred in connection with maintaining and operating its office (including salaries, rent and equipment expenses) to the extent not borne or reimbursed by a portfolio investment as specified in the Fund Agreement. Each Sightway Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Sightway Fund's strategy, including in Side Letters relating thereto, and (if and where applicable) environmental, social, governance and other standards to which the relevant general partner has committed in making investments on behalf of a Sightway Fund. Additionally, subject to the relevant Fund Agreement, a Sightway Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Sightway Fund invests. As is typical for private equity funds, the Sightway Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. In certain circumstances, one Fund is expected to pay an expense common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds by their share of such expense, without interest. While the Adviser believes

such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, the Adviser is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate. The decision of the Adviser to cover a portion of any of the above costs or expenses at a given time for the Sightway Fund (or any Private Investment Fund) does not preclude a later decision to charge these costs and expenses to any other Private Investment Fund, or to that same Private Investment Fund in the future, so long as the charge is permissible under the relevant Fund Agreement(s).

As described above, in certain circumstances, a Sightway Fund's general partner is expected to permit certain investors to co-invest in portfolio companies alongside such Sightway Fund, subject to Sightway's related policies and practices and the applicable Fund Agreement and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Sightway Fund (including management fees and performance-based compensation). Generally, the Adviser will advance amounts related to the foregoing and receive reimbursement from the respective Sightway Fund or co-invest vehicle. However, unless otherwise specified in the applicable Fund Agreement, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of Sightway, ultimately is not consummated, all fees and expenses, or other liabilities or obligations, incurred for transactions not consummated ("Broken Deal Expenses") relating to such proposed transaction and other expenses relating to the diligence or evaluation of a prospective investment will be borne by the investors within the relevant Fund(s), and, except in limited circumstances, not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in connection with such transaction, such co-investor or vehicle, as applicable, is expected to bear its *pro rata* share of such Broken Deal Expenses (including those relating to the diligence or evaluation of a prospective investment) where permitted by such vehicle's governing documents. The Adviser's practice of allocating broken deal expenses among investing Funds is discussed under "Conflicts of Interest" below. In addition, in certain circumstances, the Adviser receives compensation for management and other services performed in connection with co-investments made in portfolio companies of a Sightway Fund. To the extent a Sightway Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating, or maintaining the facility as a whole.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees, consulting fees, directors' fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between a Sightway Fund, on the one hand, and the Adviser, the Sightway Fund's general partner and/or their affiliates on the other hand.

Additionally, subject to the applicable Fund Agreement, the Adviser may retain TSI, its operating affiliates and certain persons affiliated with, employed by or retained by the Adviser or TSI, including its investor relations personnel (each, an "Affiliated Service Provider"), to provide

data-analytics, marketing, technology, acquisition, integration, rationalization and/or other operations services or due diligence, or similar services to a Sightway Fund, its related investment vehicles or a portfolio investment. In certain circumstances, these services may also include serving in management or policy-making positions for portfolio investments. Affiliated Service Providers may receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits participation or equity interest in a portfolio investment or holding company, profits or equity interests in one or more Sightway Funds or their general partners, remuneration from the Adviser and/or the Sightway Funds or affiliates or other compensation, which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Affiliated Service Provider, a percentage of the value of the portfolio investment, the invested capital exposed to the portfolio investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Compensation in the form of profits, participation or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Sightway Fund's investment and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Affiliated Service Provider compensation as well as fees, costs and expenses of structuring Affiliated Service Provider's arrangements. Affiliated Service Providers may also be reimbursed for certain travel and other costs in connection with their services. None of the amounts set forth above would offset the Sightway Fund Management Fee.

Sightway is generally permitted to exempt certain investors in a Sightway Fund from payment of all or a portion of the Sightway Fund Management Fee and/or carried interest, including the Adviser and any other person designated by the Adviser, such as "friends and family" of the Adviser or its personnel (or their estate planning or other similar vehicles), or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant Sightway Funds' general partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other funds which co-invest with a Sightway Fund. For example, in instances where a Sightway professional (or an entity affiliated with Sightway) invests in a Sightway Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Sightway Fund Management Fee and/or carried interest with respect to such Sightway Fund. Additionally, to the extent permitted by the relevant Fund Agreement, Sightway generally has the right to permit investors, affiliated with Sightway or otherwise, to invest through the relevant general partner or other vehicles that do not bear the Sightway Fund Management Fee and/or carried interest. In general, the Sightway Fund Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

Investment professionals or other members of the Sightway Team generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Sightway Fund Management Fee, carried interest or other compensation received by the Adviser or its affiliates.

TSPI Fund: The TSPI Fund bears certain expenses in addition to the Incentive Allocation payable to the Adviser. As set forth more fully in the Fund Agreement, at the sole discretion of Sightway, the TSPI Fund bears all fees, costs, expenses, liabilities and obligations relating to the TSPI Fund's (and its subsidiaries' and intermediate entities') activities, investments and business

to the extent not reimbursed by a portfolio company or applied to reduce management fees, including without limitation, legal, custodial, banking and accounting expenses (including expenses associated with the preparation of the TSPI Fund's financial statements, tax returns and Schedule K-1s or other required filings), investment-related expenses (including the evaluation, acquisition, holding and disposition thereof, expenses relating to transactions that fail to close and travel and entertainment expenses incurred in connection with potential investments and in connection with monitoring portfolio investments), expenses related to organizing and operating persons through or in which investments may be made, appraisal expenses, the TSPI Fund's allocated share of personnel who are employed by any affiliates of the TSPI Fund and provide services to the TSPI Fund, expenses incurred in connection with the offering of interests, premiums for insurance protecting the TSPI Fund and any covered persons from liabilities to third persons in connection with TSPI Fund affairs, extraordinary expenses, taxes and other governmental charges, fees and duties payable by the TSPI Fund, damages, costs of reporting to investors, costs of winding up and liquidating the TSPI Fund, costs and expenses related to any filing, notification or other regulatory requirements or obligations applicable to the TSPI Fund and/or, to the extent related to the TSPI Fund, Sightway and its affiliates and other similar expenses. The TSPI Fund also bears expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred.

Where applicable, the TSPI Fund also pays its *pro rata* share of the expenses of the underlying investment vehicles in which it directly or indirectly invests. To the extent the TSPI Fund invests in the Sightway Funds or other investment vehicles managed by the Adviser or the Adviser's affiliates, the TSPI Fund will bear its *pro rata* share of the administrative, operating and other expenses of the applicable Sightway Fund or other affiliated investment fund. The Adviser or the applicable affiliate of the Adviser may charge (i) a fixed asset-based fee and (ii) an incentive fee or allocation based upon a percentage of the profits earned by the TSPI Fund with respect to its investment with the affiliate.

In addition to the Incentive Allocation described above, the TSPI Fund is subject to certain fees or performance-based allocations payable (or allocable, as applicable) to third-party service providers to one or more special-purpose vehicles and commingled funds managed by the Adviser (each, an "Acquisition Entity") or such providers to the investments held by one or more Acquisition Entities, as applicable.

Additionally, as described above, if the TSPI Fund invests its assets in one or more of the Acquisition Entities, the TSPI Fund will be responsible for its *pro rata* share of the administrative, operating and other expenses of each such Acquisition Entity, which may be all of such administrative, operating and other expenses to the extent there are no other members in such Acquisition Entity.

As is typical for private equity funds, the TSPI Fund will likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. As a matter of practice, the Adviser will advance amounts related to the foregoing and receive reimbursement from the TSPI Fund. In addition, in certain circumstances, the Adviser will receive compensation for management and other services performed in connection with co-investments

made in portfolio companies of the TSPI Fund.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. It is expected generally that any such compensation will be set at market rates. The receipt of such compensation generally will give rise to potential conflicts of interest between the TSPI Fund, on the one hand, and the Adviser and/or its affiliates on the other hand.

Securitized Asset Fund: As the equity owner of the Securitized Asset Fund, the TSPI Fund in most cases generally bears, with regard to the Securitized Asset Fund, most of the expenses described in the TSPI Fund “Other Fees and Expenses” section above along with the expenses of the securitization waterfall. The expenses relevant to the securitization waterfall include, among others: (i) administrative expenses (including, *e.g.*, fees, expenses, indemnities and other amounts due and payable to the Trustee and the calculation agent), expenses and other amounts due and payable to the liquidity lender, other fees and expenses of the Securitized Asset Fund and SWC Holding (including fees and expenses of counsel, auditors, accountants and the Conflicts Advisory Board fees and rating agency expenses, and fees and expenses of any person incurred as a result of compliance with Rule 17g-5 of the Securities Exchange Act and any other person if specifically provided for in the Indenture); (ii) commitment fees and management fees, (iii) unpaid interest on the Notes; (iv) accrued interest regarding the liquidity loans; (v) amounts specified in the written notice delivered by the Adviser to the Trustee related to distribution dates during the reinvestment period; (vi) redemption premium, as applicable to the Noteholders; (vii) amounts related to capital calls; and (viii) taxes and registration and filing fees.

As a general matter, Noteholders do not bear these expenses. Under certain circumstances, however, as described in the Indenture, to the extent the cash flow of the securitization is insufficient to pay expenses senior to the Notes and the principal and interest regarding the Notes, Noteholders will suffer losses.

The Adviser retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for management fees or other compensation, rather than deducting such amounts from the investor’s capital account(s). Please refer to “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss” and “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading” for further discussion of conflicts of interest with respect to the Funds. Please refer to “Item 12. Brokerage” for further discussion of the Adviser’s brokerage practices. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth therein.

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

As described under “Item 5. Fees and Compensation,” Sightway receives the Sightway Fund Management Fee and/or carried interest from the Sightway Funds, although it will generally have the authority to waive the Sightway Fund Management Fee or carried interest with respect to certain investors. The Adviser further receives an Incentive Allocation on certain net profits (both realized and unrealized) of the TSPI Fund, although it will generally have the authority to waive an Incentive Allocation with respect to certain investors. The Adviser also manages funds that are not charged performance-based compensation (the Securitized Asset Fund). This practice could present a conflict of interest because the Adviser has an incentive to favor accounts for which it receives the highest performance-based compensation.

Differing fee structures (including varying carried interest terms with respect to amount, timing, waterfall conditions or other terms) and/or differences in proprietary ownership of a fund by Sightway or the other Two Sigma Affiliates could create an incentive for the Adviser to favor one client over another in the allocation of investment opportunities. The Securitized Asset Fund acquired its investments from the TSPI Fund. Determining which investments to allocate to the Securitized Asset Fund and at what price creates a conflict of interest for the Adviser, which is discussed under “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading.”

The existence of performance-based compensation has the potential to create an incentive for Sightway to operate the relevant Fund in a riskier, more speculative or other manner less favorable to investors than it would otherwise make in the absence of such arrangement, although Sightway generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the governing documents include terms requiring clawback or giveback of performance-based compensation amounts under certain circumstances at the end of the relevant Fund’s life or at certain interim intervals.

Additionally, to the extent that the compensation of Sightway’s personnel varies from Fund to Fund, such personnel are subject to potential conflicts of interest, to the extent they are involved in managing portfolio investments for Funds from which they are entitled to receive greater compensation.

Item 7. Types of Clients

The Adviser's Sightway Capital business currently provides investment advice solely to the Funds and certain related co-investment vehicles where applicable. References throughout this Brochure to "clients" and to the Adviser's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Each of the TSPI Fund and the Securitized Asset Fund is a limited liability company formed under laws of the State of Delaware and operated as an exempt investment pool under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). The Sightway Funds consist of limited partnerships formed under laws of the Cayman Islands and operated as private funds exempt from registration under the Investment Company Act.

The investors participating in the Sightway Funds, and any respective co-investment vehicle, generally include individuals, banks or thrift institutions, other investment entities, university endowments, state and municipal pension plans or investment agencies, sovereign wealth funds, family offices, pension and profit sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel (or their estate planning or other similar vehicles) of Sightway and its affiliates and members of their families. The investors participating in the TSPI Fund include, directly or indirectly, current or former partners or personnel of the Adviser and its affiliates or their estate planning vehicles (or other similar investors). The TSPI Fund holds the equity in the Securitized Asset Fund. The Notes of the Securitized Asset Fund are held by third-party investors who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act of 1933, as amended) and qualified purchasers (as defined in the Investment Company Act). The relevant general partner also is generally permitted to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Fund Agreement of such related Fund.

With respect to the Sightway Funds and the TSPI Fund, initial and additional subscription minimums, if any, are disclosed in the relevant Memorandum or Fund Agreement, as applicable. The minimum denominations of the Notes are disclosed in the offering documents of the Securitized Asset Fund. The Adviser is generally permitted to waive, reduce or modify such subscription minimums, subject to certain limitations in accordance with applicable law or regulation.

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

The Private Investment Funds

As noted above, the Private Investment Funds consist of the Sightway Funds, TSPI Fund and the Securitized Asset Fund. An investment in any of the Private Investment Funds involves significant risks, conflicts of interest and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. The Private Investment Funds' returns may be unpredictable and the Private Investment Funds' investment programs are not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in the Private Investment Funds as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the limited partner interests in a Private Investment Fund. There can be no assurance that the Adviser or the Private Investment Funds will achieve their investment objectives, and a loss of investment is possible. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Private Investment Funds will meet their investment objectives or otherwise be able to successfully carry out its investment program. A description of these funds follows.

- **The Sightway Funds** are private equity funds that generally invest through negotiated transactions in portfolio investments. The Adviser's investment advisory services with respect to the Sightway Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. The strategies the Sightway Funds pursue are long-term in nature and generally include investment lock-up provisions. These strategies are generally discretionary in nature, and the Sightway Funds generally seek to achieve absolute returns commensurate with a corresponding level of investment and liquidity risk.
- **The TSPI Fund** is a proprietary investment vehicle owned by current or former partners and personnel (or their estate planning or other similar vehicles) of the Adviser and other Two Sigma Affiliates. The TSPI Fund is designed to be non-correlated to other Funds managed by Two Sigma Affiliates, and invests its assets in private investments not traded on a liquid market, including other Sightway Funds (including the equity of the Securitized Asset Fund), other investment funds managed by Two Sigma Affiliates, direct investments in operating entities and other non-public companies, investments in private investment funds managed by Third-Party Fund Managers, and investments in other private investment funds that are private-equity style or closed-ended in nature managed by the Adviser, including certain of the Sightway Funds and investments in the TSV Funds. The TSPI Fund generally seeks to invest in markets which it perceives to have limited efficiency and liquidity and in private entities, seeking to capitalize on investment opportunities that potentially offer significant illiquidity premiums, including across private equity, credit and special opportunities, real assets and

infrastructure, real estate and venture capital. The Adviser's investment advisory services to the TSPI Fund consist of identifying and evaluating such management teams and investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are predominantly made in non-public companies, investments in public companies or traded strategies are permitted.

- **The Securitized Asset Fund** consists of a number of Third-Party Fund Investments held through the intermediary holding vehicle SWC Holding. As previously noted, all of the initial Third-Party Fund Investments were acquired by SWC Holding from the TSPI Fund, and SWC Holding expects to acquire additional Third-Party Fund Investments from, or sell Third-Party Fund Investments to, the TSPI Fund in the future, subject to the approval of the independent Conflicts Advisory Board. The assets of the Securitized Asset Fund will primarily consist of the interests in SWC Holding, and the assets of SWC Holding will primarily consist of the Third-Party Fund Investments. However, the Securitized Asset Fund may invest in certain eligible investments, as further specified in the Indenture for cash management purposes. The funds in which SWC Holding owns or will acquire an interest employ a number of different strategies in their investments, including, without limitation:
 - *Buyout* – Includes the purchase of securities of a company (typically privately placed highly illiquid equity securities) which often results in attaining a substantial or a controlling percentage of such company's securities and thereby exercising control over its assets and operations.
 - *Debt* – Includes investments in mezzanine funds which lend to, or take direct equity investments in, small business investment companies, licensed by the Small Business Administration, and which supply small businesses with financing in both the equity and debt arenas. They provide a viable alternative to venture capital firms for many small enterprises seeking startup capital.
 - *Infrastructure* – Includes investments in infrastructure assets and/or related portfolio companies (typically privately placed highly illiquid equity securities). Infrastructure assets can be characterized as assets that provide for essential services and which have (i) significant barriers to entry, (ii) a generally dominant market position, (iii) long duration, (iv) high upfront costs and (v) low ongoing operational costs. Investments in infrastructure generally exhibit long-term, stable cash flows and low volatility as compared to other asset classes and have inflation-linked contracts and pricing that protects investors from the effects of inflation on such long-term cash flows.
 - *Natural Resources* – Includes investments in a wide variety of oil and gas exploration, production and transportation assets (typically privately placed highly illiquid equity securities), as well as investments in natural resources other than oil and gas.
 - *Real Estate* – Includes investments in both residential properties and commercial properties, as well as investments in real estate portfolio companies.

- *Venture Capital* – Includes investments in start-up or other companies embarking on new ventures. Individual investment horizons tend to be longer as compared to those for the more mature companies commonly found in buyout funds.

The following list is not a complete list of all risks and other considerations involved in connection with an investment in the Private Investment Funds. Prospective investors should consult the Memorandum, Fund Agreement and subscription agreement, as applicable, of the relevant Private Investment Fund.

Risks of Investment

Business Risks. There can be no assurance that the Private Investment Funds will be able to generate returns for investors or that the returns will be commensurate with the risks of holding and investing in the types of investments, assets or companies and transactions that the Private Investment Funds will pursue. There can be no assurance that any investor will receive any distribution from a Private Investment Fund. The Private Investment Funds' portfolio investments involve a high degree of business and financial risk, which can result in substantial losses, and all investments involve the risk of loss of capital. Accordingly, an investment in the Private Investment Funds should only be considered by persons who can afford a loss of their entire investment as part of an overall investment strategy.

Uncertain Exit Strategies. Due to the illiquid nature of the Private Investment Funds' portfolio investments, Sightway is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated (or at the time that the investments are contributed to the Private Investment Funds, as applicable) may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. Certain of the Private Investment Funds' assets are expected to be self-liquidating and it is possible that there will be no means to exit the holding, even if Sightway's view as to potential future performance of the portfolio investment has changed.

Concentration of Investments. Each Private Investment Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Private Investment Fund may be materially affected by the performance of a single investment or a single industry segment.

Diverse Investors. Investors may have conflicting investment, tax and other interests with respect to their investments in the Private Investment Funds and with respect to the interests of investors in other investment vehicles managed or advised by Sightway that may participate in the same investments as a Private Investment Fund. The conflicting interests of individual investors with respect to other investors and investors in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by the Private Investment Funds and such other investment vehicles, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Sightway, including with respect to the nature or structuring of investments, which likely will be more beneficial for one or more (but not all) investors than for another

investor, especially with respect to investors' individual tax situations. In addition, the Private Investment Funds may make investments that may have a negative impact on related investments made by investors in separate transactions. In selecting and structuring investments appropriate for the Private Investment Fund, Sightway will consider the investment and tax objectives of the Private Investment Funds and their investors as a whole (and those of investors in other investment vehicles managed or advised by Sightway that participate in the same investments as the Private Investment Funds), not the investment, tax, or other objectives of any investor individually. In addition, certain investors are, and others in the future are expected to also be, investors in other investment funds sponsored or managed by Sightway, including co-investment vehicles that may invest alongside the Private Investment Funds in one or more investments. Investors are expected in certain circumstances to include affiliates of Sightway, such as other Funds, affiliates of the portfolio investments of the Private Investment Funds or other Funds, charities or foundations associated with Sightway personnel and/or current or former members of the Sightway Team (or their estate planning or other similar vehicles), Sightway's senior advisors and any such affiliates, funds or persons expect to invest through the vehicles established in connection with Sightway's side-by-side co-investment rights. It is also possible that the Private Investment Funds or the Private Investment Funds' portfolio investments will be counterparties (such counterparties dealt with on an arm's-length basis) or participants in agreements, transactions or other arrangements with an investor or an affiliate of an investor. Such investors described in the previous sentences may therefore have different information about Sightway and the Private Investment Funds than investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such investors, and Sightway may not be motivated to act solely in accordance with its interests relating to the Private Investment Funds. Similarly, not all investors monitor their investments in vehicles such as the Private Investment Funds in the same manner. For example, certain investors may periodically request from Sightway information regarding the Private Investment Funds and investments and/or portfolio companies that is not otherwise set forth in (or has yet to be set forth) in the reporting and other information required to be delivered to all investors, for instance, pre-quarterly reporting valuation. In such circumstances, Sightway may provide such information to such investor, but because it has provided such information upon request by one or more investors does not mean Sightway will be obligated to affirmatively provide such information to all investors (although Sightway will generally provide the same information upon request and treat investors equally in that regard). As a result, certain investors (particularly investors that are affiliated with Sightway and/or the TSPI Fund) will likely have more information about the Private Investment Funds, and/or will likely receive information about the Private Investment Funds at an earlier time, than other investors, and Sightway will have no duty to ensure all investors seek, obtain or process the same information regarding the Private Investment Funds and their portfolio investments.

Environmental, Social and Governance ("ESG") Matters. Consistent with Two Sigma's group approach to ESG, Sightway seeks to integrate certain ESG factors into its investment process subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Sightway expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Sightway, or any judgment exercised by Sightway, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, Sightway's ESG and associated ESG practices are expected to evolve over time. Although Sightway acknowledges that the integration of ESG factors could potentially provide an opportunity to seek to enhance or protect the performance of certain

of its investments over the long-term, Sightway cannot guarantee that its ESG program or any integration of ESG factors will positively impact the performance of any individual investment or Fund. For avoidance of doubt, however, Sightway does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

The materiality of ESG factors depends on many considerations, including relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance, and will vary by Fund and investment. In addition, in evaluating an investment, Sightway expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Sightway to incorrectly assess a company's ESG practices and/or related risks and opportunities. Sightway does not intend independently to verify all ESG information reported by investments or third parties. The Adviser will further differ in the types of ESG factors that are applied, and the degree of adherence to such factors, as between the investment activities of Sightway Capital and its other investment advisory business lines.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Sightway's adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions on the definition, measurement and disclosure of ESG factors. Sightway's ESG approach could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Sightway cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements, reporting frameworks or best practices increase or otherwise affect the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Private Investment Funds has invested, including various segments of the financial services, transportation and oil, energy and gas industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Private Investment Funds intend that their portfolio investments would seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular the financial services, transportation and oil, energy and gas industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Private Investment Funds invest. By way of example, the financial services industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal,

state or local or non-U.S. legislative proposals related to such industries are expected to be introduced, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the Private Investment Funds have invested.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Sightway and each Private Investment Fund. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact the Adviser and its affiliates, the Private Investment Funds and/or their investments, including by increasing costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to any Private Investment Fund. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

Financial Institution Risk; Distress Events. An investment in a Private Investment Fund is subject to the risk that one of the Private Investment Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Private Investment Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Sightway, the Private Investment Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Sightway to manage the Private Investment Funds and their investments, and on the ability of Sightway, any Private Investment Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to cause a Private Investment Fund to pay fees and expenses in the event a Private Investment Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Private Investment Fund to acquire or dispose of investments at prices that the relevant general partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Sightway expects to exercise

contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Sightway and/or the relevant Private Investment Fund maintain all or a set amount or percentage of their respective accounts or assets with a Financial Institution acting as a custodian, which heightens the risks associated with a Distress Event with respect to such custodian. Although Sightway seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Private Investment Funds, Sightway is under no obligation to use a minimum number of custodians with respect to any Private Investment Fund, or to maintain account balances at or below the relevant insured amounts.

Illiquidity; Lack of Current Distributions. An investment in the Private Investment Funds should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Private Investment Fund (including the fees payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from a Private Investment Fund's capital, including unfunded commitments to a Private Investment Fund. Further, investments by the Private Investment Funds may be in illiquid or difficult to value securities or assets, including Third-Party Fund Investments. There may be no secondary market for many or all of the Third-Party Fund Investments, and any such markets, to the extent they exist, are likely to be highly illiquid. In addition, the Third-Party Fund Investments may also be difficult to value and any disposition of them may require a lengthy period of time to accomplish.

Leveraged Investments. A Private Investment Fund or its portfolio investment or intermediate entity is permitted in certain instances by the applicable Fund Agreement(s) to make use of leverage for all or a portion of certain investments, whether on a temporary or long-term basis. Certain portfolio investments currently have indebtedness under credit facilities, through securitizations or under or through other debt instruments. Leverage generally magnifies both the Private Investment Funds' and the portfolio investment's, as applicable, opportunities for gain and its risk of loss. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Private Investment Funds or a portfolio investment will also result in fees, interest expense and other costs to the Private Investment Funds or portfolio investment that may not be covered by distributions made to the Private Investment Funds or appreciation of its investments, or the operating income of a portfolio investment, as applicable. While it is anticipated that fund-level borrowings, other than in respect of securitization transactions, generally will be subject to limitations set forth in the governing documents and interim in nature, asset-level leverage generally will not be subject to limitations, including with respect to the amount of time such leverage may remain outstanding. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of certain of the Private

Investment Funds' portfolio investments will increase the exposure of the Private Investment Funds' investments to any deterioration in a portfolio investments' condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Private Investment Funds' investments in the leveraged portfolio investments in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Private Investment Funds. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, the Private Investment Funds may suffer a substantial or total loss of capital invested in the portfolio investment, which could adversely affect the returns of the Private Investment Funds. Furthermore, should the credit markets be limited or costly at the time a Private Investment Fund determines that it is desirable to sell all or a part of a portfolio investment, such Private Investment Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the portfolio investments in which the Private Investment Funds will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant governing documents, a Private Investment Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Private Investment Funds' creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The Private Investment Funds are also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio investment's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Private Investment Funds would be compensated for providing such guarantee or exposure to such liability. The Private Investment Funds generally are permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by Sightway or any of its affiliates, including through Private Investment Funds subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that a Private Investment Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent the Private Investment Funds incur leverage (or provides such guaranties), such amounts are permitted to be secured by commitments made by the Private Investment Funds' investors and such investors' contributions may be required to be made directly to the lenders instead of the Private Investment Funds.

Subscription Lines. A Private Investment Fund is permitted in certain instances by its Fund Agreement(s) to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the Private Investment Fund's general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Private Investment Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Private Investment Fund would likely be subordinate to the Private Investment Fund's obligations to a subscription line's creditors.

In addition, fund-level borrowing will result in additional partnership expenses that will be

borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating, or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Private Investment Fund's limited partners and the terms of the Fund Agreements, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Private Investment Fund's cost of borrowing, fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Private Investment Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of fund-level borrowing typically delays the need for limited partners to make contributions to a Private Investment Fund, or results in short-term gains to a Private Investment Fund, which in certain circumstances enhances the relevant Private Investment Fund's rate of return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Private Investment Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of fund-level borrowing can increase the base of a Private Investment Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are generally incurred whether an investment is financed through capital calls or borrowings, and a Private Investment Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Private Investment Fund's investment period, and cause or defer a related change in the basis of the relevant Private Investment Funds' management fee calculation under the governing documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Private Investment Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Private Investment Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant Private Investment Fund's general partner's ability to consent to the transfer of a limited partner's interest in the Private Investment Fund or impose concentration or other limits on the Private Investment Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant Private Investment Fund's general partner may request certain financial information and other documentation from limited partners to share with lenders. The Private Investment Fund's general partner will have significant discretion in negotiating the terms of any

subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Private Investment Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Private Investment Fund, resulting in a potential net benefit to the Private Investment Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Private Investment Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a Private Investment Fund's general partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant Private Investment Fund's general partner called smaller amounts of capital incrementally over time as needed by a Private Investment Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. In certain instances as described in the applicable Fund Agreement(s), a Fund's general partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Adviser for expenses incurred on behalf of the Private Investment Fund. A Private Investment Fund is also permitted to utilize fund-level borrowing when the Private Investment Fund's general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Private Investment Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the relevant Private Investment Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, in which case the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant Private Investment Fund's general partner, as reduced by the interest incurred by the relevant Private Investment Fund. Subject to any limitations in the governing documents, this scenario potentially incentivizes the relevant Private Investment Funds' general partner to permanently fund the acquisition and ongoing capital needs of a Private Investment Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

In borrowing on behalf of a Private Investment Fund, Sightway is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Private Investment Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Private Investment Fund's preferred return, is expected to have incentives to cause the Private Investment Fund to borrow in this manner rather than

drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Private Investment Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the Private Investment Fund's general partner called capital, and thus could result in the relevant Private Investment Fund's general partner receiving carried interest sooner than it would without borrowing. In addition, when the management fee is calculated as a percentage of invested capital, a limited partner may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Investment- and Intermediate Entity-Level Borrowing. Under its governing documents, each Private Investment Fund is generally authorized to incur indebtedness that is secured by any assets of the Private Investment Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and is generally permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is generally permitted to be incurred for any purpose relating to the activities of a Private Investment Fund, including without limitation to: finance any investment-related activities of such Private Investment Fund; increase the buying power of the Private Investment Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for a Private Investment Fund's expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the governing documents. Additionally, Private Investment Funds are expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Private Investment Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the applicable governing documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Placement Agents. One or more parties may act as placement agents (each, a “Placement Agent,” and together, the “Placement Agents”) for the interests of a Private Investment Fund and, in that capacity, would act for Sightway and not as investment advisers to potential investors in connection with the offering of such interests. Potential investors must independently evaluate the offering and make their own investment decisions. The Private Investment Funds generally expect to pay any Placement Agent a placement fee based upon the amount of interests committed to by investors that each such Placement Agent introduces to the applicable Private Investment Fund.

Potential investors should also note that at various times, the Placement Agents could act as placement agents for other fund sponsors and funds, including unaffiliated fund sponsors and funds, which may offer interests that are similar to the interests and/or otherwise compete with the Private Investment Funds for investments. Those unaffiliated sponsors could pay placement fees on terms different from the fees that the Placement Agents would receive from Sightway in connection with a Private Investment Fund offering, and this difference in fees could influence the Placement Agents to introduce or not introduce potential investors to the applicable Private Investment Fund. Furthermore, certain Placement Agents may, and other Two Sigma Affiliates will, seek to do business with and earn fees or commissions from other investment funds and their portfolio investments and affiliates of Sightway. Examples of such business may include, without limitation, provision of financing or other investment banking services; lending or arranging credit; and provision of prime brokerage. Each potential investor should consider these issues in making its investment decision.

Limited Transferability of Fund Interests. There will be no public market for the Private Investment Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of the Private Investment Funds' interests under the applicable Fund Agreements and applicable securities laws. In general, withdrawals of the Private Investment Funds' interests (other than the interests of the TSPI Fund) are not permitted and such interests will not be redeemable.

Limited Access to Information. Limited partners' rights to information regarding a Private Investment Fund, its relevant general partner or Adviser generally will be specified, and in many cases strictly limited, by the respective Fund Agreement(s) of the Private Investment Fund. In particular, it is anticipated that the Adviser and its affiliates will obtain certain types of material information from or relating to a Private Investment Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Adviser's control. Decisions by Adviser or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Private Investment Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Adviser and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Private Investment Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Private Investment Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Adviser reserves the right to withhold certain information from investors subject to such laws for reasons relating to Adviser's public reputation, business strategy or other reasons.

Restricted Nature of Investment Positions. Subject to the terms of the applicable Fund Agreement, certain investments may be distributed in-kind to the investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities and, in turn, on the remaining holders of such securities (which may

include a Private Investment Fund). The price at which such securities may be sold by such investors may be lower than the value of such securities determined pursuant to the applicable Fund Agreement, including the value used to determine the amount of carried interest available to Sightway with respect to such investment.

Reliance on Sightway and Portfolio Investment Management. At its initial closing, each Private Investment Fund is a newly formed entity and has no operating history, and a significant number of their portfolio investments are expected to be relatively new and will require substantial additional capital. Whether and to the extent such capital is ultimately invested is subject to the discretion of the Sightway Team. Control over the operation of the Private Investment Funds will be vested with Sightway, and the Private Investment Funds' future profitability will depend largely upon the business and investment acumen of the Sightway Team. The loss or reduction of service of one or more members of the Sightway Team could have an adverse effect on the Private Investment Funds' ability to realize its investment objectives. In addition, the Sightway Team currently, and may in the future, manage other investment funds besides the Private Investment Funds and the Sightway Team may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Sightway Team's members. Investors generally have no right or power to take part in the management of the Private Investment Funds, and as a result, the investment performance of the Private Investment Funds will depend on the actions of Sightway. Although Sightway will monitor the performance of each portfolio investment, it will primarily be the responsibility of each portfolio investment's management team to operate such portfolio investment on a day-to-day basis.

Non-U.S. Investments. The Private Investment Funds have invested and are expected to make additional investments in portfolio investments that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Adviser expects such investments to be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates (which the Private Investment Funds or a portfolio investment, as applicable, may or may not hedge against), capital repatriation regulations (as such regulations may be given effect during the term of a Private Investment Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Private Investment Funds and/or investors with respect to the Private Investment Funds' income, and possible non-U.S. tax return filing requirements for the Private Investment Funds and/or investors. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Force Majeure Risks. Sightway, the Private Investment Funds, portfolio investments, their respective affiliates and counterparties and other persons and entities may be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, adverse weather

conditions, assertion of eminent domain, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, riots, terrorism and labor strikes), which have the potential to affect the ability of the foregoing parties to perform their obligations until any such force majeure event is remedied. These catastrophic events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects. The cost to a portfolio investment or the Private Investment Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre agreed time period. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Private Investment Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio investments or its assets, could result in a loss to the Fund, including if its investment in such portfolio investment is canceled, unwound or acquired (which could be without what the Private Investment Funds considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Private Investment Funds and its investments. Some force majeure risks are generally uninsurable and, in some cases, investment project agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period.

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

Cybersecurity Risks. The information and technology systems of the Adviser and of

service providers to the Adviser and the Private Investment Funds are vulnerable to potential damage or interruption from computer attacks, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. In addition to direct vulnerabilities of the Adviser's systems, the foregoing (and similar) risks have the potential to originate on systems and in locations beyond the Adviser's control. For example, software, data and other services provided by third parties may be compromised without the Adviser's knowledge. Additionally, the Adviser's communications with other persons, including Fund counterparties and investors, are susceptible to infiltration due to human error or vulnerabilities in the systems of such persons. Accordingly, investors are advised to ensure communication methods with the Adviser and the relevant administrator(s) are secure so as to prevent interception or impersonation that could result in fraudulent communications being submitted on their behalf.

Although the Adviser has implemented various measures designed to seek to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser, relevant Fund general partners, or a service provider to make a significant investment to fix or replace them and to seek to remedy the effect of such issues. The failure or interruption of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser, the relevant Fund general partners, and the Funds and result in a failure to maintain the confidentiality, integrity or availability of sensitive data, including personal information, as well as reputational damage and/or financial loss, including via adverse impacts to Fund returns. Further, there may be legal and related costs arising from either existing or pending laws or regulations governing cybersecurity requirements for the Adviser and the Funds, as well as litigation and/or regulatory investigations associated with any incidents that occur.

Another potential result of the interruption of the Adviser's (and its affiliates') systems and/or implementation of disaster recovery plans is a remote working or distributed workforce environment for personnel of the Adviser and its affiliates, which presents certain risks discussed below in "Distributed Workforce Risks."

To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company potentially will be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments, as further discussed below in "Distributed Workforce Risks." Any of such circumstances could subject a portfolio company, or the relevant Private Investment Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive

information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm.

Distributed Workforce Risks. In early 2020, the Adviser and its affiliates transitioned the majority of employees across their offices to remote work-from-home arrangements due to the global COVID-19 pandemic. The Adviser has since transitioned to a “hybrid” work model, wherein generally employees work partly from Two Sigma offices, and partly remotely. While some of the Adviser’s and its affiliates’ employees are accustomed to working remotely and working with other remote employees, remote work increases risks relating to cybersecurity, data protection, employee supervision, workforce engagement and cohesion of operations, which could negatively impact the Adviser and the Private Investment Funds.

Notwithstanding these risks, the Adviser believes that a hybrid working environment provides certain benefits to the Adviser, its affiliates and their employees (including in respect of workforce flexibility and the ability to recruit and retain employees). The Adviser and its affiliates will endeavor to appropriately protect against the risks and expect to employ workplace policy arrangements designed to balance the benefits and potential drawbacks of remote work and a distributed workforce going forward. However, there can be no assurance that the operations of a Private Investment Fund will not be adversely affected.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Adviser, its affiliates, the Private Investment Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, its affiliates, the Private Investment Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. In addition, in connection with the services provided to a Fund, an investor’s personal data will be subject to the Adviser’s privacy policy, will be shared with certain of its affiliates and will be transferred and/or stored in various jurisdictions in which such affiliates, a Fund’s administrator or sub-administrator and/or their respective affiliates have a presence, including to jurisdictions that might not offer a level of personal data protection equivalent to the investor or prospective investor’s country of residence.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser, its affiliates, the Private Investment Funds and/or their portfolio companies.

Public Health Emergencies. Pandemics and other widespread public health emergencies,

including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Private Investment Funds.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Private Investment Funds. The extent of the impact on the Private Investment Fund's and their portfolio companies' or investments' (including Third-Party Fund Managers) operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Private Investment Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Private Investment Funds intend to pursue, all of which could adversely affect the Private Investment Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Private Investment Funds, their portfolio companies, the general partner of each Private Investment Fund and Sightway may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

United Kingdom (“UK”) Exit from the European Union (the “EU”). The UK formally left the EU on January 31, 2020 (“Brexit”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshore EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what

extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on any Private Investment Fund or any of its investments, including on the ability of a Private Investment Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including, as applicable, Sightway and Private Investment Fund portfolio companies. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Private Investment Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Private Investment Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Private Investment Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Private Investment Fund intends to pursue, all of which could adversely affect the Private Investment Fund's ability to fulfill its investment objectives.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Private Investment Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Private Investment Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-

tax returns of individuals associated with a Private Investment Fund, its general partner, or the Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Private Investment Fund. This creates potential incentives for the Adviser to cause a Private Investment Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Changes to Benchmark Rates. To the extent that a Private Investment Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate ("SOFR") or other rates (each, a "Benchmark Rate"), the Private Investment Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Private Investments Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other GP-Led Transactions. There continues to be a significant market for secondary sales, GP-led transactions, continuation funds, successor fund investments and other similar or related transactions. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Adviser following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Adviser believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including potentially a portfolio that combines assets from multiple Private Investment Funds sponsored by the Adviser and its affiliates). However, certain of such transactions would be expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Private Investment Funds and/or other investment vehicles, a greater exposure to one or more particular portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company would have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant general partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Private Investment Fund or limited partner and those of Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Adviser or an affiliate would continue to manage and receive fees and/or performance-based compensation

relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Private Investment Funds, Adviser, the relevant general partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Sightway requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Sightway in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Private Investment Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant general partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Private Investment Funds, and in such circumstances the Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners would not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest would be disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, the Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents. Sightway is generally permitted to seek the consent of the relevant Fund's advisory committee(s) to approve conflicts associated with such transactions and accordingly, not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Private Investment Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Hedging Arrangements. Sightway is authorized (but is not obligated) to endeavor to manage the relevant Private Investment Funds' or any portfolio investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Private Investment Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject the Private Investment Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Private Investment Funds to additional liquidity risks if such

contracts cannot be adequately settled.

Non-Controlling Investments. Certain portfolio investments are expected to be comprised of meaningful minority stakes in privately held companies and have minority protection rights that, while often substantial, typically fall short of the control characteristics of majority stakes. Other portfolio investments are comprised of interests that may not have significant minority protections, such as passive equity interests in investment pools, or interests in revenue share agreements with investment managers that do not include any governance rights with respect to such investment managers. In addition, during the process of exiting investments, the Private Investment Funds at times may hold minority equity stakes of any size such as might occur if portfolio investments are taken public. As is the case with minority or passive holdings in general, such minority stakes that the Private Investment Funds hold or may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Private Investment Funds hold a minority or passive stake, it may be more difficult for the Private Investment Funds to liquidate interests than it would be had the Private Investment Funds owned a controlling interest in such company. Even if the Private Investment Funds have contractual rights to seek liquidity of the Private Investment Funds' minority or passive interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Private Investment Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Side Letters. Sightway or its affiliates, as applicable, are expected to enter into Side Letters with certain investors in connection with such investor's admission to the Private Investment Funds or parallel funds without the approval of any other investor, which would have the effect of establishing rights under or altering or supplementing the terms of the Fund Agreement or governing documents of a parallel fund, as applicable, with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse or exclusion rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (ii) Sightway's agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special tax, regulatory or other circumstances of such investor, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by Sightway for the benefit of lenders or other persons extending credit to or arranging financing for a Private Investment Fund, (iv) consent of Sightway to certain transfers by such investor or other exercises by Sightway of its discretionary authority under the Fund Agreement for the benefit of such investor, (v) restrictions on, or special rights of such investor with respect to the activities of Sightway, (vi) withdrawal rights (subject to consent of Sightway) due to legal, regulatory, tax, accounting or policy matters, including matters related to political contributions, gifts and other such policies, (vii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (viii) economic arrangements (including, for example, with respect to any carried interest, servicing fees and/or management fees to be charged to investors, and discounted or rebated compensation terms, none of which generally will be subject to the "most-favored nation" provisions of a Fund's governing documents), (ix) matters regarding such investor's right to participate in co-investment opportunities (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any carried interest and/or management fees to be charged with respect thereto)), (x) matters regarding such investor's (or its affiliates') interest

in providing debt financing to a Private Investment Fund or its portfolio investments, (xi) acknowledgement of interest in co-investment opportunities and allocations thereof, (xii) rights to serve on a Private Investment Fund's advisory committee or (xiii) additional obligations, and restrictions of the Private Investment Funds with respect to the structuring of any investment (including with respect to alternative investment vehicles). While it is possible that the Private Investment Funds will, along with Sightway itself, benefit from the existence of those side agreements, it is also possible that such side agreements may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor (but not any of such investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other investor notwithstanding any other provision of the applicable Fund Agreement.

Except in the circumstances and on the timing required by the applicable Fund Agreement and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Private Investment Fund, Sightway, the relevant general partner or any of their affiliates (including the Adviser) in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Sightway to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Private Investment Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Private Investment Fund. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Sightway believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents of the relevant Fund; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

In addition, Sightway has, and it can be expected that Sightway in the future will, enter into

agreements with investors involving an investor's overall relationship with Sightway, including one or more strategies in addition to a Private Investment Fund's strategy with terms and conditions applicable to such investor and its investment in multiple Sightway strategies or other investment strategies managed by Sightway and its affiliates, that would not apply to such investor's investment in such Private Investment Fund. Such an agreement would often involve an investor agreeing to make a capital commitment to multiple Funds and/or Other Managed Accounts managed or sponsored by Sightway or its affiliates. Investors will not receive a copy of the agreement memorializing such an investment program and will be unable to elect any rights or benefits granted to such multi-strategy investor.

It is also expected that Sightway will confirm factual matters to incoming investors, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Private Investment Funds and/or Sightway's activities pertaining thereto in one or more respects. In addition, Sightway may agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as part of an overall firm relationship. Additionally, it is expected that investors who designate representatives to participate on a Private Investment Fund's advisory board may, by virtue of such participation, have more information about the Private Investment Funds and investments in certain circumstances than other investors generally and may be provided information in advance of communication to other investors generally. Any such statements, confirmations agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by investors, and investors generally will as a result not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Private Investment Funds or that such arrangements will not influence Sightway's activities or the operation of a Private Investment Fund.

Material Non-Public Information. As a result of the extensive operations of Sightway and its affiliates, as well as in connection with officerships or directorships of Adviser personnel, Sightway and its affiliates frequently comes into possession of confidential or material, non-public information. Therefore, Sightway and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Private Investment Fund. Consequently, a Private Investment Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, Sightway or its affiliates, may have been undertaken on account of applicable securities laws or Sightway's internal policies and practices. Due to these restrictions, a Private Investment Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Additionally, there may be circumstances in which one or more individuals associated with Sightway or its affiliates will be precluded from providing services to Sightway or a Private Investment Fund because of certain confidential information available to those individuals or to Sightway or its affiliates, which could have an adverse effect on a Private Investment Fund.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Adviser or the Private Investment Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other

governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Private Investment Fund's acquisition of a portfolio company may preclude other Private Investment Funds from making an attractive acquisition or require one or more other Private Investment Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Private Investment Fund may be adversely affected because of Adviser's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Private Investment Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Adviser or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Private Investment Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Sanctioned Investors. If, after subscribing to a Private Investment Fund, a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant general partner will have sole discretion to determine the resolution, remedy and manner of compliance of such Private Investment Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on such Private Investment Fund's activities, could materially and adversely affect the Private Investment Funds.

Affiliated Data-Analytics Providers; Reliance on TSI. Subject to the applicable Fund Agreement, the Adviser may retain Affiliated Service Providers (including TSI, its operating affiliates and certain persons affiliated with, employed by or retained by the Adviser or TSI, including its investor relations personnel) to provide data-analytics, marketing, technology, acquisition, integration, rationalization and/or other operations services or due diligence, or similar services to a Private Investment Fund, its related investment vehicles or a portfolio investment. In particular the Adviser will rely to a substantial degree on Affiliated Service Providers for vendor data management, access to data sets, data engineering assistance and other activities that are essential to the Advisers data analytics activities ("Data Analytics Activities"). The Affiliated Service Providers are not a fiduciary to the Adviser or to any clients. If Affiliated Service Providers cease to provide their services, the Adviser will be materially adversely affected. In particular Affiliated Service Providers may cease providing the Adviser access to data sets important to the Adviser's Data Analytics Activities or provide engineering assistance for any reason at all. Replacing such data sets or engineering assistance may be prohibitively expensive for the Adviser. The Adviser has no control over the Affiliated Service Providers, and the Affiliated Service Providers are permitted to make decisions without regard to, knowledge or consideration of, the

business objectives of the Adviser, any duties or obligations of the Adviser to any client or the investment objective, goals or other investment profile characteristics of any client.

Further, TSI provides various services to the Adviser, including, but not limited to, administrative, legal, technical and clerical services, access to technology equipment and office facilities, maintenance and support services, and other related and miscellaneous services. Pursuant to a services agreement (the “Services Agreement”), the Adviser pays TSI a fee for the provision of these services. Such fee is borne by the Adviser and not directly or indirectly by its clients. All personnel of the Adviser have a direct employment relationship with TSI and not with the Adviser.

Because of the services provided to the Adviser by TSI, the Adviser’s performance will be materially dependent on TSI and the talents and efforts of individuals employed by TSI. TSI is not a fiduciary to the Adviser or to any of its clients. The success of the Adviser and the Private Investment Funds will largely be dependent upon TSI’s ability to continue to provide services to the Adviser. If TSI ceases to do so, or to do so effectively, the Adviser and the Private Investment Funds will be adversely affected. The Adviser has no control over TSI, and TSI may make decisions without regard to, knowledge or consideration of, the business objectives of the Adviser or the investment objective of the Private Investment Funds (subject to the Services Agreement).

Reliance on Individuals. Although many of the Adviser’s strategies and tools are reliant on technology, the Adviser’s investment strategies are materially reliant on individuals and their judgment. In particular, certain employees performing a range of activities and functions have significant responsibility and broad discretion that can impact clients and their investments. With respect to Two Sigma, there have been instances where employees have taken actions that are outside the scope of their employment and failed to perform actions that are required by the scope of their employment (including actions or inactions that deviate from best practices, or the applicable adviser’s policies or procedures), which have adversely impacted such adviser’s clients. While the Adviser seeks to maintain policies, procedures and supervisory structures designed to mitigate the risk of such conduct and detect it should it occur, no guarantee or representation can be made that such conduct will not occur in the future or that, should such conduct occur, it will be promptly detected. Further, there is no guarantee that personnel will act in an appropriate manner, meet the Adviser’s expectations or fulfill such personnel’s obligations.

Risks of Artificial Intelligence (“AI”). The Adviser’s ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit the Adviser’s ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While the Adviser expects that it would restrict certain uses of third-party and open source AI tools, such as ChatGPT, the Adviser’s employees and consultants and a client’s portfolio companies may use these tools, which poses additional risks relating to the protection of the Adviser’s and such portfolio companies’ proprietary data, including the potential exposure of the Adviser’s or such portfolio companies’ confidential information to unauthorized recipients and the misuse of the Adviser’s or third-party intellectual property, which could adversely affect the Adviser, a client or its portfolio companies. Use of AI tools may result in allegations or claims against the Adviser, a client or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information

and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the Adviser's and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on the Adviser or on the performance of a client and its portfolio companies. AI tools could also be used against the Adviser, a client or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued, proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of the Adviser, a client or its portfolio companies to utilize AI in the manner it has to date, and may have an adverse impact on the ability of the Adviser, a client or its portfolio companies to continue to operate as intended.

Risks of ML Technologies. The Adviser may utilize machine learning and artificial intelligence tools and techniques, including generative AI and large language models (collectively, "ML Technologies") in the course of its business, including in connection with data analysis and other activities. ML Technologies can be developed in whole or in part by third parties (including open source materials) and by Two Sigma Affiliates.

There are risks associated with the use of ML Technologies, and the Adviser's use of ML Technologies (as well as the use of ML Technologies by third-parties, as discussed below and in "Risks of Artificial Intelligence," or by Two Sigma Affiliates) will tend to amplify the risks faced by the Adviser and clients, including those risks described under "Affiliated Data-Analytics Providers; Reliance on TSI," "Risks of Artificial Intelligence" and "Cybersecurity Risks," and could introduce additional risks, all of which could adversely impact the Adviser and clients.

Certain ML Technologies are typically highly reliant on the collection and analysis of large amounts of data. It is not possible or practicable to screen all available data incorporated into or reviewed by ML Technologies, and it is inevitable that not all desired and/or relevant data will be available to, or processed by, the ML Technologies, and that such data will be incomplete or incorrect. The Adviser will also not necessarily be aware of the importance assigned to any particular piece of data by the ML Technologies.

ML Technologies will sometimes generate incomplete or inaccurate outputs that could negatively impact the Adviser's data analysis, research and other activities. In addition, ML Technologies can make underlying logic for computations and results difficult to interpret, and therefore unexpected behavior can be difficult to detect and/or remediate; improvements can similarly be difficult to implement as well. Further, the Adviser may utilize ML Technologies developed by third parties, and the Adviser would not necessarily expect to have visibility into the data used to train the models or the specific technologies that comprise such ML Technologies and it could be even more difficult to detect and/or remediate errors or other unexpected behavior of such ML Technologies. The Adviser's use of ML Technologies could therefore adversely impact clients.

As noted above under "Risks of Artificial Intelligence," clients will also be exposed to risks to the extent third-party service providers and/or counterparties of the Adviser or the clients use

ML Technologies in their business activities. The Adviser has limited transparency into the use of such ML Technologies, and to the extent it is aware of such use, will likely not be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilizing ML Technologies are provided.

Certain Risks Associated with Management and Governance Challenges. There continue to be a variety of management and governance challenges that have the potential to directly or indirectly impact the Adviser. Specifically, the Management Committee of the Adviser's general partner (the "Management Committee") has been unable to reach agreement on a number of topics that, to the extent involving the Adviser, principally relate to the activities and functions that support multiple Two Sigma Affiliates ("Platform Activities"). These topics include: (i) defining roles, authorities, responsibilities and/or compensation for some C-level officers, including for the various roles of the members of the Management Committee and other very senior leaders responsible for activities and functions that support Platform Activities; (ii) organizational design and management structure of various teams; (iii) corporate governance and oversight matters; and (iv) succession plans. These disagreements have affected and could continue to affect Two Sigma's ability to retain and attract employees (including very senior employees) and to implement key initiatives. As such disagreements continue, the Adviser's ability to achieve client objectives could be impacted over time.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Private Investment Funds. When estimating fair value, Sightway will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by Sightway may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of fees payable to the Adviser.

Co-Investments. Sightway has provided or committed to provide, and subject to any contractual obligations (whether in a Side Letter or a Fund Agreement), Sightway expects in the future to continue, in its sole discretion, to provide or commit to provide, co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by Sightway. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by Sightway, may not be in the best interests of the Private Investment Funds or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, Sightway may consider some or all of a wide range of factors, which may include factors which benefit Sightway such as the likelihood that an investor may invest in a future fund sponsored by Sightway or its affiliates.

Furthermore, Sightway or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Private Investment Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to

co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Sightway expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Private Investment Funds investors and third parties, (ii) to the extent co-investments made by Private Investment Funds investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Private Investment Fund’s governing documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Private Investment Fund’s governing documents. In order to facilitate the acquisition of a portfolio company, a Private Investment Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner’s interest in limiting the Private Investment Funds’ exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that Sightway, its related persons and members of the Sightway Team make capital investments in or alongside a Private Investment Fund, Sightway is subject to potentially conflicting interests in connection with these investments. Sightway’s allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. Please see “Potential Conflicts of Interest” below for additional considerations.

The Private Investment Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a Private Investment Fund, or may be in a position to take action contrary to the investment objectives of a Private Investment Fund. In addition, a Private Investment Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that a Private Investment Fund’s return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Special Situations. A Private Investment Fund may have investments in companies or may

invest in derivatives on the equity or debt of companies involved in (or the target of) acquisition attempts or tender offers or have investments in companies or invest in derivatives on the equity or debt of companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a Private Investment Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Private Investment Fund could be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Private Investment Fund may invest, there is a potential risk of loss by a Private Investment Fund of its entire investment in such companies. In connection with such transactions (or otherwise), a Private Investment Fund may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed when a Private Investment Fund enters into the commitment. Such securities are subject to changes in market value prior to their delivery. In certain situations, a Private Investment Fund may enter into a guarantee or other liability on behalf of a portfolio company. Such guarantees and/or liabilities may continue to be borne by a Private Investment Fund after a portfolio company investment is sold or Sightway otherwise exits the investment. In such instances, the respective portfolio company is responsible for paying a Private Investment Fund ongoing fees associated with the guarantee, as well as payment of the amount of the outstanding guarantee and/or liability.

Incentive Allocation. Any incentive allocation will reduce the allocations and distributions that would otherwise have been made to the investors absent any such incentive allocation. In addition, the incentive allocation's existence may incentivize Sightway to make riskier or more-speculative investments on a Private Investment Fund's behalf than it would otherwise make absent such performance-based allocations, which could result in adverse consequences for an investor, including but not limited to reduced returns or a complete loss of an investor's entire investment in a Private Investment Fund. Moreover, the manner in which Sightway determines the incentive allocations may create a conflict between Sightway's interests and the investor's interests as to the manner, timing and sequencing of the disposition of investments, which could result in adverse consequences for the investors, including, but not limited to, reduced returns and less efficient tax treatment. Furthermore, recently enacted tax reform legislation relating to the taxation of incentive allocations provides for a lower capital gains tax rate in respect of investments held for at least three years. Sightway may be incentivized to operate the Private Investment Funds, including holding and/or selling investments, in a manner that takes into account the tax treatment of Sightway's incentive allocation. While Sightway generally intends to seek to maximize pre-tax returns for the Private Investment Funds, Sightway may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment. To date, the Internal Revenue Service has issued only limited guidance on how these new rules apply.

Multi-Investment Fund Approach. While investment in multiple funds managed by Third-Party Fund Managers and the TSV Funds may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or if it does, that it will not reduce,

rather than increase, potential net profits. Also, interests in multiple funds managed by Third-Party Fund Managers and the TSV Funds may cause the TSPI Fund indirectly to hold opposite positions in an underlying investment, thereby decreasing or eliminating the possibility of positive returns from such investment. No assurance is given that the collective performance of funds managed by Third-Party Fund Managers and TSV will result in profitable returns for the TSPI Fund as a whole under all or any conditions; the possibility exists that good performance achieved by one or more funds managed by Third-Party Fund Managers and/or TSV may be neutralized by poor performance experienced by another fund managed by a Third-Party Fund Manager or TSV. Further, there is no guarantee that funds managed by Third-Party Fund Managers or TSV will not employ similar investment strategies from time to time or with respect to a portion of their respective portfolios; and investments in funds managed by Third-Party Fund Managers or TSV that make overlapping investments may result in the TSPI Fund having increased exposure with respect to those overlapping investments, sectors or asset classes.

Distributions-In-Kind. Sightway may in its sole discretion cause a Private Investment Fund to distribute securities or other investments as distributions in-kind to certain investors, which may be granted or denied by Sightway for any or no reason, that request or consent to such distributions in writing or without such consent in connection with the dissolution or winding-up of a Private Investment Fund. Such securities or other investments may not be readily marketable or salable and may have to be held by a Private Investment Fund's investors for an indefinite period of time. Additionally, the fair market value of such securities or other investments will be determined by Sightway in its sole discretion. Accordingly, the fair market value of such securities or other investments may not reflect the price at which they could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. If the valuations made by Sightway are incorrect, the amount of any Incentive Allocations in respect of such securities or other investments also could be incorrect, which could result in adverse consequences for an investor, including but not limited to reduced returns.

Investments with Third-Party Fund Managers. The TSPI Fund and Securitized Asset Fund will each invest with Third-Party Fund Managers (either directly, or through TSPI's investment in the Securitized Asset Fund) and, as a result, the following additional risks may be associated with these investments:

- ***Multiple Investment Managers.*** The Third-Party Fund Managers make their investment decisions independently, and one or more of such Third-Party Fund Managers may, at any time, take positions that may be opposite of positions taken by other Third-Party Fund Managers or a Private Investment Fund. It is also possible that the Third-Party Fund Managers retained by a Private Investment Fund may on occasion be competing with each other for similar positions at the same time. Also, a particular Third-Party Fund Manager may take positions for its other clients that may be opposite to positions taken for a Private Investment Fund.
- ***Lack of Operating History of Third-Party Fund Managers.*** The Third-Party Fund Managers retained by a Private Investment Fund may be new Third-Party Fund Managers with a limited performance history in operating their own management company (although such Third-Party Fund Managers typically will have significant prior experience in the investment industry). Therefore, such investments may involve greater risks than investment with more established Third-Party Fund Managers.

- *Performance-Based Compensation Arrangements with Third-Party Fund Managers.* Third-Party Fund Managers are typically compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the accounts they manage during specific measuring periods. In certain infrequent cases, Third-Party Fund Managers may be paid an incentive fee or allocation based on appreciation during the specific measuring period without taking into account losses occurring in prior measuring periods. Such performance-based arrangements may create an incentive for such Third-Party Fund Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Furthermore, a Private Investment Fund may be required to pay an incentive fee or allocation to Third-Party Fund Managers who make a profit for a Private Investment Fund in a particular fiscal year even though that Private Investment Fund may in the aggregate incur a net loss for such fiscal year.
- *Activities of Third-Party Fund Managers.* Third-Party Fund Managers will have significant responsibility for making investment decisions on behalf of a Private Investment Fund. The Third-Party Fund Managers will have various levels of experience. In addition, the Third-Party Fund Managers may also manage other accounts (including other partnerships and accounts in which the Third-Party Fund Managers may have an interest) which, together with accounts already being managed, could increase the level of competition for the same investments that a Private Investment Fund might otherwise make. This could make it difficult to take or liquidate a position in a particular investment at a price indicated by the Third-Party Fund Manager's strategy. Furthermore, although the Adviser seeks to select only Third-Party Fund Managers who will invest a Private Investment Fund's assets with the highest level of integrity, the Adviser will have no control over the day-to-day operations of any of the selected Third-Party Fund Managers. As a result, there can be no assurance that every Third-Party Fund Manager engaged by a Private Investment Fund will conform his conduct to these standards.
- *Fund Expenses.* The expenses of a Private Investment Fund (including the payment of fees by a Private Investment Fund to Third-Party Fund Managers and the TSPI Fund's *pro rata* share of expenses of any private investment funds in which it invests) may be a higher percentage of net assets than would be found in other investment entities. Strategies utilized by certain Third-Party Fund Managers retained by the Private Investment Fund may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.
- *Limits on Information.* The Adviser requests certain information from each Third-Party Manager regarding the Third-Party Fund Manager's historical performance (if any) and investment strategy. However, the Adviser may not be provided with information regarding all the investments made by the Third-Party Fund Managers because certain of this information may be considered proprietary information by Third-Party Fund Managers.

Risks and Conflicts related to the Seeding Strategy. The Seeding Strategy followed by the TSPI Fund involves a high degree of business and financial risks that can result in substantial

losses. Further, alternative structuring of Seeding Strategy investments may create additional risks with respect to the TSPI Fund which are not currently anticipated or identified. A portfolio investment managed by Sightway or an affiliate that is seeded as a Seed Investment from the TSPI Fund may include associated gains thereon, which will subsequently be shared with other investors in the new Fund or the Affiliate Fund that is seeded with such investment. In addition, any enhanced rights, if applicable, received by the TSPI Fund in connection with a Seeding Strategy investment were individually negotiated with respect to each fund in which the TSPI Fund invests, creating the risk that not all facets of such rights are available in each portfolio investment or applied to the same degree. Investments were also structured based on the structure of the fund at the time the TSPI Fund invested in such fund, and there is no assurance that new or different risks will not arise as the fund evolves or matures. Seeding Strategy investments may pose additional and heightened conflicts for the TSPI Fund that are not present in a typical fund of funds or manager of managers strategy, due to among other things the scope and extent of the Adviser's relationships with the TSPI Fund, any affiliated adviser and their funds, and the terms/conditions of the arrangement.

Moreover, certain Seed Investments are subject to the TSPI Fund's Incentive Allocation, which is determined at the time of withdrawal or upon distributions related to a realization event; this creates a potential conflict among investors, because their investment in the TSPI Fund may experience different results depending on when such withdrawals or distributions occur. Moreover, although the TSPI Fund provides investors with redemption rights, the TSPI Fund itself will generally not be permitted to withdraw or redeem from a Sightway Fund that is closed-ended. Any indemnification or liabilities attributed to the TSPI Fund due its investment in such fund will be borne by the investors in the TSPI Fund at such time, even if they were not invested in the TSPI Fund at the time of the original investment.

Multiple Levels of Expense. Investments by a Private Investment Fund in another private fund may significantly increase the fees, costs and expenses payable by such Private Investment Fund and borne by the investors therein. For instance, in addition to any incentive allocation charged at the TSPI Fund level, the Securitized Asset Fund imposes fees, costs and other administrative expenses, including, but not limited to, organizational expenses, management fees and other expenses (as applicable), which will be borne directly and indirectly by the investors in the TSPI Fund. Moreover, the Adviser earns a management fee for managing the Securitized Asset Fund's portfolio, which may introduce potential conflicts in the Adviser's decision to hold certain third party funds of the TSPI Fund that comprise the Third-Party Fund Investments through the Securitized Asset Fund.

These various levels of fees, costs and expenses will be charged whether or not the performance of a Private Investment Fund generates positive returns for its investors. In addition, a Private Investment Fund will indirectly bear a proportionate share of the organizational, offering and ongoing operating expenses, fees and other compensation (including management fee) of affiliated and third party investment funds, which expenses, fees and other compensation will be significant. Because of these fees and expenses payable by a Private Investment Fund, its returns may be lower than the returns to a direct investor in such funds.

Reliance on Other Managers. Performance of a Private Investment Fund that invests in third-party investment funds is expected to be materially dependent on the talents and efforts of individuals employed by the Third-Party Fund Managers that manage such third-party funds.

Sightway will have no control over the day-to-day operations of any of the selected Third-Party Fund Managers. There can be no assurance that a Third-Party Fund Manager engaged by a Private Investment Fund will invest as expected by Sightway.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Sightway, the Private Investment Funds or one or more portfolio companies could have a material and adverse effect on the value of the Private Investment Funds and/or their portfolio companies.

Risks of Investment Specific to the Securitized Asset Fund

SWC Holding may be Liable for Returns of Certain Distributions from Funds. If a fund in which SWC Holding invests is otherwise unable to meet its obligations, the fund's investors (including SWC Holding as holder of the Third-Party Fund Investment) may, under applicable law and the fund documents, be obligated to return, sometimes with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contribution or deemed to have been wrongfully paid to them. If SWC Holding fails to meet such obligations, it would be subject to sanctions similar to the sanctions described under “—SWC Holding may be Subject to Substantial Penalties for Failures to Satisfy Third-Party Fund Investment Capital Calls” above. Any failure by SWC Holding to meet any such obligations with respect to a Third-Party Fund Investment may have a material adverse effect on such Third-Party Fund Investment and on the Securitized Asset Fund's ability to make payments on the Notes.

No Rights to Participate in Management of Funds or Portfolio Companies. The Third-Party Fund Managers generally have control over the management and operation of the funds comprising the Third-Party Fund Investments (including, without limitation, evaluation of the relevant economic and financial information regarding the structuring, acquisition, monitoring and disposition of portfolio investments of the funds). Neither SWC Holding, as holder of Third-Party Fund Investments, nor the Adviser will have the right to participate in the management or operation of the funds. SWC Holding, as holder of Third-Party Fund Investments, and the Adviser will have only a limited ability to monitor the investments made by the funds, whether any fund has engaged in additional or alternative strategies without consent or advice of any other person or whether the investment strategies and guidelines of the funds are adhered to. Noteholders must rely solely on the ability of the relevant Third-Party Fund Managers to operate the businesses of the funds and to manage the portfolio investments held by the funds.

Certain Third-Party Fund Investments May Be Structured as Co-Investments. Certain Third-Party Fund Investments may be structured as co-investments in a portfolio company and co-invest alongside financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third-party is not involved, including the possibility that (i) the co-investors may have financial difficulties resulting in a negative impact on such co-investment or may have interests or objectives that are inconsistent with those of the fund or may be in a position to take (or block) action in a manner contrary to the fund's investment objectives or (ii) in certain circumstances, the Third-Party Fund Investment (alone or together with

other co-investors) may be deemed to have a control position with respect to a portfolio company which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Risks Relating to the Notes. Structured investment products like the Notes are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Securities issued in securitization transactions have experienced in the past, and may in the future experience, historically high volatility and significant fluctuations in market value.

There can be no assurance that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. The Notes will not be listed on any securities exchange. In particular, the Notes may be transferred only to persons that are both qualified institutional buyers and qualified purchasers. The restrictions on the transfer of Notes may further limit their liquidity.

The Third-Party Fund Investments are owned by SWC Holding, which is a bankruptcy-remote special purpose vehicle with limited activities. The Notes are obligations of the Securitized Asset Fund, secured by the limited liability company interests of SWC Holding and guaranteed by SWC Holding. However, due to restrictions contained in the fund documents, SWC Holding is not permitted to grant, and is not granting to the Securitized Asset Fund, the Trustee or any other person, a security interest in the Third-Party Fund Investments. In the event of acceleration of the Notes and enforcement by the Trustee of its rights against the Securitized Asset Fund (in respect of the Indenture) and SWC Holding (in respect of SWC Holding's guarantee), the Trustee will not have the rights of a secured creditor in the Third-Party Fund Investments and the Third-Party Fund Investments would also be subject to claims of any other creditors of SWC Holding.

The ability of the Securitized Asset Fund to make payments on the Notes is highly dependent on the performance of the Third-Party Fund Investments. There can be no assurance that the Third-Party Fund Investments will be successful, that investors will receive a return of any or all of their investments in the Notes or that they will receive any return (or avoid any loss, including total loss) on their investment in the Notes. Prospective investors are therefore advised to review the offering circular for the Notes carefully and should consider, among other things, the following risk factors (along with, among other things, the inherent risks of investment activities) before deciding whether to invest in the Notes. Each prospective investor should consult its own legal, tax and financial advisers regarding the desirability of purchasing the Notes and the suitability of an investment in the Securitized Asset Fund.

The Weighted Average Lives of the Notes May Vary. The final maturity date of the Notes is the distribution date in August 2033. The weighted average life of the Notes will be affected by the amount and timing of payments received with respect to the Third-Party Fund Investments, and is expected to be materially shorter than the period from the settlement date to the final maturity date. The timing of payments on investments such as the Third-Party Fund Investments, however, are inherently unpredictable. The amount and timing of payments of principal on the Notes will also be affected by, among other things, any redemption of all or any part of the Notes

and an acceleration of the principal of the Notes in connection with the occurrence of an event of default as specified in the Indenture. The occurrence of any unscheduled principal repayments of the Notes is, in turn, determined by the amount and timing of payments with respect to the Third-Party Fund Investments, which will be dependent on, among other things, the financial condition of the funds and the characteristics of the Third-Party Fund Investments, including the existence and frequency of exercise of any prepayment, optional or mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption price and the actual default rate, the frequency of tender or exchange offers for the Third-Party Fund Investments and any sales of Third-Party Fund Investments. Prospective investors should make their own determinations of the payments expected to be made in respect of the Notes.

Conflicts of Interest

Sightway, TSI and their respective affiliates (each as further described in Item 10 below) engage in a broad range of advisory and non-advisory activities, including investment activities for their own account, and providing transaction-related, legal, management and other services to private funds and portfolio companies. The Adviser expects to spend a portion of its business time and attention pursuing investment opportunities amongst the Private Investment Funds, as well as other private funds and co-investment vehicles that have or will in the future be sponsored or managed by the Adviser, including through its other businesses, some of which may have third-party investors or may be owned exclusively by the TSPI Fund (such other funds and vehicles collectively with the Private Investment Funds, as well as any private funds, co-investment vehicles or managed accounts sponsored or managed by the Two Sigma Affiliates, which includes TSA, TSIS, TSV, TSS, TSRE and TSC, as each such entity is further described in Item 10 below, the “Other Managed Accounts”). The Adviser will continue to manage and monitor the Private Investment Funds and other Other Managed Accounts and investments. As a general matter, the Adviser will determine all matters relating to structuring transactions and Other Managed Account operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion.

Sightway, TSI and their respective affiliates and companies in which they invest (including portfolio companies of Two Sigma Affiliates’ clients) may serve as counterparties or participants in agreements, transactions or other arrangements with the Adviser and/or its affiliates, and such agreements, transactions or other arrangements could be material to such other companies’ success or failure. Such agreements, transactions or other arrangements may involve fees, commissions, servicing payments, discounts, rebates and/or other benefits to such portfolio companies, the Adviser or its affiliates, as applicable. While the Adviser and its affiliates intend to monitor such conflicts, there can be no assurance that any such conflicts will be effectively managed or mitigated.

Sightway and the Sightway Team will also seek to make new investments on behalf of Private Investment Funds in accordance with the applicable Fund Agreements, some of which investments have already been identified at the time of a Private Investment Fund’s closing. The economics of a successor fund have the potential to be more favorable to Sightway than an existing Private Investment Fund, and may create additional incentives for Sightway to allocate investments to such successors. The success of a Private Investment Fund and its portfolio investments will be dependent in large part upon the Sightway Team’s successful deployment of capital to support such portfolio investments, including, but not limited to, (i) traditional follow-

on investments into such portfolio investments, (ii) deployment of capital for add-on investments by or through such portfolio investments, (iii) deployment of capital into such portfolio investments to support expansion of such portfolio investments, (iv) funding capital that will be placed on the balance sheet of such portfolio investments for working capital purposes, general business purposes or M&A activity, (v) investments in portfolio investment operations, (vi) other additional investments in portfolio investments, whether on a primary or secondary basis, or (vii) the acquisition of or investment in new distinct portfolio investments, which Sightway elects in its sole discretion to allocate to a Private Investment Fund following a determination by Sightway that such opportunities relate to or would be accretive to, or relate to or would be consistent with the mandate of, another portfolio investment or group of portfolio investments then held by such Private Investment Fund (such opportunities, “Follow-On Investments”). The Sightway Team will be subject to conflicts as to whether, when, and how to deploy such capital and to whom investment opportunities will be allocated. Availability of capital, diversification and economic incentives of the Sightway Team may cause assets that are related to, in the same sector as, or may otherwise be beneficial to a given portfolio investment, to be allocated to another Private Investment Fund or Other Managed Accounts rather than to a particular Private Investment Fund.

Sightway believes that the significant investment of certain members of the Sightway Team in the Private Investment Funds, directly or indirectly, as well as such members’ interest in the carried interest or Incentive Allocation, as applicable, operate to align, to some extent, the interest of the Sightway Team with the interest of the investors in the Private Investment Funds, although members of the Sightway Team have or will in the future have economic interests in such Other Managed Accounts and investments as well and receive management fees and carried interest in respect of such Other Managed Accounts. Such Other Managed Accounts and investments that Sightway or such Other Managed Accounts may finance, control, transact with or manage may compete with or be competitive with a Private Investment Fund generally or a particular Private Investment Fund’s portfolio investments individually. The Sightway Team may have conflicts of interest in allocating their time and activity between one Private Investment Fund and any other Private Investment Fund or Other Managed Accounts and in effecting transactions between such fund and any other Private Investment Fund or Other Managed Accounts, including transactions in which Sightway (and its principals) may have a greater financial interest.

Subject to the terms of the applicable Fund Agreement, Sightway generally will manage a Private Investment Fund’s portfolio and pursue Follow-on Investments arising pursuant to the rights held by such Private Investment Fund in the portfolio investments for the benefit of such Private Investment Fund. The nature of Follow-On Investments will vary depending on the nature and business of the companies in the Private Investment Fund’s portfolio. There are expected to be investment opportunities that (i) do not constitute Follow-On Investments but which are nonetheless related to a Private Investment Fund’s portfolio investment or (ii) do constitute Follow-On Investments that may not be allocated to a Private Investment Fund, subject to the terms of the applicable Fund Agreement. Such opportunities may be allocated to the Other Managed Accounts, third-party co-investors or other parties. The classification of an investment opportunity as appropriate or inappropriate for a Private Investment Fund will be made by Sightway in its reasonable discretion and in good faith, at or prior to the time of purchase or sale, as applicable. This determination will frequently be subjective in nature and that, consequently, an investment that Sightway determined was appropriate for a particular Private Investment Fund may ultimately prove to have been more appropriate for another Private Investment Fund. Where potential overlaps with any of the Private Investment Funds do exist, Sightway generally intends

to allocate portfolio investments and the opportunity to invest in any Follow-on Investments in a manner that is fair and equitable under the circumstances over time, subject to the terms of the applicable Fund Agreement or the governing documents of the portfolio investment, as applicable. A Private Investment Fund will have no right to participate in any opportunities that are not allocated to it, even if they turn out to be highly profitable or would otherwise have been accretive or otherwise beneficial to the Private Investment Fund.

Such investment opportunities that may arise from a Private Investment Fund's portfolio investments but that are expected not to be allocated to such Private Investment Fund include, but are not be limited to: (i) investments in passive pooled investment funds, managed accounts or individual investments sponsored or managed by companies in, or integrally related to, a Private Investment Fund's portfolio and (ii) individual assets that have been presented to but passed upon by a Private Investment Fund's portfolio investment, and in which such Private Investment Fund has no contractual right to participate.

In addition, the Adviser currently manages, and may in the future manage, Other Managed Accounts across other business lines in addition to Sightway. Such Other Managed Accounts in the Adviser's other businesses in certain instances will have investment strategies similar to or that overlap with the Private Investment Funds and investments similar to those in which the Private Investment Funds will be investing, and the Adviser expects to direct certain relevant investment opportunities or resources to those Other Managed Accounts. Sightway personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Sightway Team will continue to manage and monitor such investments until their realization. Such other investments that the Sightway Team expect to control or manage generally have the potential to complete with companies acquired by a Private Investment Fund. Following the commitment period of a Private Investment Fund, the Sightway Team reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Private Investment Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Sightway's sole discretion, Sightway and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by a Fund Agreement, Sightway personnel are permitted to serve on boards or act in other roles unaffiliated with Sightway, the Private Investment Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees. Pursuant to the terms of the applicable Fund Agreement, one or more Private Investment Funds will have no right to participate and will not be offered an opportunity to participate in investment opportunities that are not specifically set forth in the applicable Fund Agreement.

Sightway or its affiliate expect to act as manager or general partner of a holding company through which a Private Investment Fund indirectly holds its portfolio investment. In such capacity, Sightway or its affiliate may make determinations on behalf of such holding company in respect of certain pre-emptive rights and other similar rights, including the price at which the portfolio investment, another portfolio investment, or management, personnel, or other related person of the portfolio investment or another portfolio investment, may purchase the Private Investment Fund's or a holding company's equity interests in such the portfolio investment. Given

that Sightway or its affiliate will be acting as the manager or general partner of the holdings company and is also affiliated or has an economic interest in one or more of the parties purchasing the Private Investment Fund's or a holding company's equity interest in a portfolio investment, the purchase price will not be reflective of arm's length terms.

Certain investment vehicles related to a portfolio investment in which a Private Investment Fund invests may only receive an allocation of investment opportunities or assets if the portfolio investment managing such related vehicle is unable to or elects not to acquire such investment opportunity or assets. In many cases, whether a portfolio investment is unable to or elects not to acquire an investment opportunity or assets is a subjective determination that will be made by the management or board of directors (or similar governing bodies) of such portfolio investment, which will include representatives of Sightway. Additionally, there may also be circumstances where management of a portfolio investment or its board of directors (or similar governing body) will make an initial determination that an investment opportunity or assets will be allocated to a portfolio investment or its related vehicle, but later determine not to allocate a portion of such investment opportunity or assets to either the portfolio investment or its related vehicle. If either a portfolio investment or its related vehicle did not receive an allocation of such investment or assets, the portfolio investment or its related vehicle, as applicable, may, subject to the terms of the applicable Fund Agreements, still bear its portion of any diligence or other expenses related to the sourcing and investigation of such investment opportunity or assets as determined by the management or board of directors (or similar governing body) of the portfolio investment, which, as described above, will include representatives of Sightway. The representatives of Sightway that are involved, through their board membership, in making such decisions do not owe a duty to the Private Investment Fund or to investors and may consider the interests of the portfolio investment or their own interests in making such decisions. Additionally, the related vehicle of the portfolio investment will rely on the portfolio investment to provide it with sourcing, diligence, portfolio management and other similar services and the portfolio investment will receive a management fee and other fees as compensation for such services.

Additionally, one or more companies related to the portfolio investments of one Private Investment Fund are likely in the future to warehouse or otherwise sell assets to one or more companies related to the portfolio investments of another Private Investment Fund. Such transactions present potential conflicts of interest, including with respect to the determination of the sale price and the terms of such transactions. Depending on the terms of the transaction and the nature of the assets being sold, the consent of the investors in the applicable Private Investment Fund(s) may not be required or obtained.

Although none of Sightway, its affiliates or the Sightway Team are part of the management team of any portfolio investment, it is expected that affiliates of Sightway will play a supervisory role in the decisions of the management team of the portfolio investments and that members of the Sightway Team or personnel of Sightway's affiliates will be members of the board of directors (or similar governing bodies) of the portfolio investments, which board may be responsible, among other things, for making determinations in respect of certain conflict matters, including, without limitation, allocations of investments or allocations of expenses. Sightway and its affiliates may also have an economic interest in a portfolio investment outside of holding interests in such portfolio investments through a Private Investment Fund. The supervisory role and economic interest of Sightway and its affiliates in respect of portfolio investments may present conflicts of interest in connection with a Private Investment Fund's investment in such portfolio investments

or its related vehicles, if any, and Sightway's actions on behalf of a Private Investment Fund in respect of any portfolio investment or related vehicle may be influenced by these relationships.

In connection with its services to the Private Investment Funds and their investments, Sightway, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Sightway's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Sightway and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Sightway Information"). In many cases, Sightway Information will include tools, procedures and resources developed by Sightway to organize or systematize Sightway Information for ongoing or future use. Although Sightway expects its Funds and their portfolio companies generally to benefit from Sightway's possession of Sightway Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Sightway and its personnel) and not by the Fund or portfolio company from which Sightway Information was originally received. Sightway Information will be the sole intellectual property of Sightway and solely for the use of Sightway. Sightway reserves the right to use, share, license, sell or monetize Sightway Information, without offsetting or otherwise reducing Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Private Investment Funds or their respective investors; no such rewards will offset or reduce Management Fees.

One or more Other Managed Accounts may participate alongside a Private Investment Fund in certain investments, which may involve risks not present in investments where a co-investor is not involved. While the Sightway Team generally expects that the Private Investment Fund and such Other Managed Accounts will, in such cases, make Follow-On Investments in, and exit from, such investments on substantially the same terms and at substantially the same time, subject to legal, tax and regulatory considerations, this may not always be the case and the investment performance of such Private Investment Fund and such Other Managed Account(s) may differ due to, among other things, the use of leverage (or absence of leverage) as between such vehicles, different investment horizons or terms, the exercise of remedial measures by one or more of such vehicles, or different economic arrangements. There can be no assurance that the Private Investment Fund and such Other Managed Account will invest in, or exit from, the investment at the same time or on the same terms, and there can be no assurance that such Private Investment Fund's return on such an investment will be the same as the returns achieved by any Other Managed Account participating in such transactions. Such Private Investment Fund may also be obligated to contribute more capital to a portfolio investment than it otherwise would or elect not to exercise additional funding rights or pursue additional rights and, in either case, such Private Investment Fund's investment could suffer material adverse effects.

Furthermore, as a Private Investment Fund and any Other Managed Account that

participates alongside such Private Investment Fund will have different portfolios, it is possible that the Sightway Team's incentives to take risks would differ as between the two investment accounts in an effort to generate additional carried interest proceeds. In determining whether a Private Investment Fund should participate in an investment opportunity or in making a determination as to whether an investment opportunity is part of an applicable Private Investment Fund, the Sightway, its affiliates and the Sightway Team are subject to potential conflicts of interest among the investors in such Private Investment Fund and investors in such Other Managed Accounts. The terms of any such Other Managed Accounts may differ from the terms of a particular Private Investment Fund with respect to carried interest, Incentive Allocation, management fees or other terms. Such differences in terms also create an incentive for Sightway to cause a Private Investment Fund to make riskier or more speculative investments in conjunction with another Other Managed Account or to hold such an investment longer than otherwise would be the case.

In addition, because the interests of a Private Investment Fund and other Other Managed Accounts may vary, Sightway will face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Private Investment Fund versus another Other Managed Account with respect to an investment, especially controlled portfolio investments (*e.g.*, whether to cause a portfolio investment to invest in an asset or engage in a strategic transaction such as a merger or sale). Given the nature of such conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both the applicable Private Investment Fund and the other Other Managed Account, and the action taken for the other Other Managed Account may be adverse to such Private Investment Fund. Additionally, it is possible that a Private Investment Fund may be invested in a portfolio company in which another Other Managed Account or a fund managed by an affiliate already has an interest in a different part of the capital structure, or vice versa. For example, one or more Funds may have investments in funds that provide financing to the types of companies in which an Other Managed Account or a fund managed by an affiliate invests. Sightway's ability to implement the Private Investment Funds' strategies effectively may be limited to the extent that contractual obligations entered into in respect of investments made by Sightway or an Other Managed Account impose restrictions on a Private Investment Fund engaging in transactions that Sightway may otherwise be interested in pursuing. Investments by a Private Investment Fund and another Other Managed Account in a portfolio investment also have the potential to raise the risk of using assets of such Private Investment Fund to support positions taken by another Other Managed Account or a fund managed by affiliate, or that the other Other Managed Account may remain passive in a situation in which it is entitled to vote. Furthermore, actions taken for one or more Other Managed Accounts (or not taken by a Private Investment Fund) or a fund managed by an affiliate may adversely affect a Private Investment Fund, and it is possible that such Other Managed Accounts may have financial difficulties or constraints resulting in an adverse impact on a Private Investment Fund. As an example, if additional capital is necessary for a Private Investment Fund's portfolio investment as a result of financial or other difficulties, or to finance growth or other opportunities, one or more Other Managed Accounts or a fund managed by an affiliate may or may not have or provide such additional capital alongside with, or in lieu of a Private Investment Fund, including because such Private Investment Fund does not have available capital. Sightway or the applicable affiliate will generally determine in its sole discretion whether any such Other Managed Account or a fund managed by an affiliate will supply such additional capital and, if so, the amount of such capital.

To the extent a Private Investment Fund and another Other Managed Account or a fund

managed by an affiliate invest side-by-side in an investment, such Other Managed Account or a fund managed by an affiliate will be free to make decisions regarding the investment based on its own interests. Such interests may include strategic goals as well as, or in lieu of, financial goals. The interests of the applicable Private Investment Fund, such Other Managed Account and/or a fund managed by an affiliate may diverge: Other Managed Accounts or funds managed by an affiliate may have (a) investment goals, (b) investment timelines, and/or (c) resources available to effectuate investments that, in each case, differ from those of such Private Investment Fund. These differences have the potential to affect the timing and amount of such Private Investment Fund's gain or loss on its investment. Such Other Managed Account or a fund managed by an affiliate may also have greater control or influence over an investment and therefore a greater ability to promote its interests. As an example, a Private Investment Fund and a Other Managed Account may enter into contractual obligations providing that such Private Investment Fund and such Other Managed Account will simultaneously take the same action with respect to a portfolio investment on a *pro rata* basis, such that even if a potential action would be to the benefit of the Other Managed Account and the detriment of such Private Investment Fund, such Private Investment Fund would be contractually obligated to take such action on the basis that such action is being taken by the Other Managed Account.

The Private Investment Funds are expected to co-invest with Other Managed Accounts through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a co-investor is not involved, including the possibility that such Other Managed Account may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with that of the Private Investment Funds, or may be in a position to take action contrary to the Private Investment Funds' investment objectives. Sightway will be responsible for allocating expenses between the Private Investment Funds and such Other Managed Account and may have considerable latitude in doing so, and there can be no assurances that Sightway will allocate such expenses in the manner most favorable to any Private Investment Fund. In addition, a Private Investment Fund may in certain circumstances be liable for the actions of another Other Managed Account alongside which it has co-invested. Furthermore, differences in terms between a Private Investment Fund and such Other Managed Account create a conflict of interest for Sightway and its respective affiliates, as the compensation of Sightway and its affiliates, as applicable, is impacted by the allocation of such expenses.

Conflicts would also arise in situations where Sightway could potentially cause portfolio investments owned by a Private Investment Fund and another Other Managed Account to merge in whole or part with each other or to be purchased or sold in whole or in part to each other. Such transactions may lead to a conflict of interest because Sightway controls the investment vehicles and/or portfolio investments on each side of such transactions. Depending on the transaction structure, such transaction may disproportionately benefit the purchasing, selling, or merging entity (or Sightway as a result of its interests in the investment vehicles), and the applicable Private Investment Fund may incur expenses or forego gains that would have been obtained had it not exited such company or companies. Sightway's determination of consideration or other terms of such transactions may create a conflict of interest because the terms (including the fee, carried interest and Incentive Allocation terms) of a Private Investment Fund and the Other Managed Account may create an incentive for Sightway to cause a Private Investment Fund to overpay or to accept lesser consideration than it would otherwise accept. The acquisition or merger by a Managed Account may also lead to the Other Managed Account holding the remaining portion of

the company, if any, longer than it otherwise would have, which may increase the risk for loss. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will not be adverse to any Private Investment Fund.

Investors in the Private Investment Funds include persons or entities organized in various tax jurisdictions, which may have conflicting investment, tax and other interests with respect thereto. As a result, conflicts of interest may arise in connection with decisions made by Sightway that likely will be more beneficial for one type of investor than for other types of investors, especially with respect to investors' individual tax situation (including with respect to the nature or structuring of investments). In making decisions, Sightway intends to consider the investment objectives of each Private Investment Fund as a whole, and not the investment objectives of any investor of a Private Investment Fund individually. Because a significant portion of certain Private Investment Funds' capital commitments will be, directly or indirectly, committed by Sightway's affiliates and certain of the founding members of the Adviser and its affiliates (collectively, the "Founder Investors"), conflicts may arise between the interests of the Founder Investors and those of a Private Investment Fund and its investors who are not Founder Investors in relation to certain decisions regarding, among other things, the nature of investments made by the Private Investment Fund, the structuring or the acquisition of investments and the timing of disposition of investments. Founder Investors in the TSPI Fund retain certain rights with respect to the TSPI Fund's investment decisions, which may create a conflict of interest between the interests of the Founder Investors in the TSPI Fund and the interests of other investors in the TSPI Fund.

As part of Two Sigma, the Adviser is affiliated with other investment advisers that advise private funds and separately managed accounts. Certain Two Sigma partners and professionals have or will have a direct or indirect ownership interest in Sightway or its affiliates that entitles them to the right to invest capital and a portion of the carried interest or Incentive Allocation distributions, as applicable, received by Sightway in respect of the Private Investment Funds. The Private Investment Funds will generally not be given access either to the strategies utilized by TSI or other affiliates on behalf of the entities they advise or to investment opportunities identified by TSI or its affiliates (other than Sightway itself). In addition, instances may arise where Sightway exercises its discretion not to pursue a particular investment opportunity on behalf of a Private Investment Fund because of the potential restrictions that such pursuit may have on Sightway's or its affiliates' ability to invest in or trade certain securities (or other assets) related to such investments on their own behalf or on behalf of the entities advised by TSI or other affiliates. Additionally, because the TSPI Fund's investors are comprised of current or former partners and personnel of the Adviser and its affiliates or their estate planning vehicles (or other similar investors), the Adviser has an incentive to provide support to the TSPI Fund that it may not otherwise provide to vehicles whose investors are comprised of unrelated third-parties.

It is possible that Sightway's clients and proprietary accounts or funds established by or for the benefit of Sightway personnel (or their estate planning or other similar vehicles) or third-party or proprietary accounts or funds established by other Two Sigma Affiliates or any other Two Sigma or affiliated personnel (collectively, "Two Sigma Accounts") may encounter potential conflicts with respect to investment opportunities, deal sourcing, resource sharing and investment decisions. Although Sightway, TSI and their affiliates may share certain resources, the benefits of such arrangements may not be proportional among the affiliates in every instance, and certain affiliates may bear a greater cost or burden than others and such costs may be further allocated to

their respective clients.

Although the Sightway Team, on the one hand, and the investment teams of the Adviser's other businesses or investment teams of TSI and other affiliates, on the other hand, generally pursue different investment strategies, operate separately from one another and make investment decisions independently from one another, the investment professionals of Sightway and such other investment teams also have regular formal and informal communications. There are times when Two Sigma Accounts and the Private Investment Funds may seek to make the same investment, including as a result of independent investigation by the various investment teams managing the Two Sigma Accounts or when two or more teams work in conjunction with one another to pursue an opportunity, including (without limitation) when an investment opportunity is deemed to be too large for one Two Sigma Account or a Private Investment Fund to pursue on its own. Similarly, investment opportunities sourced by one affiliate or investment team may be shared with or made available to, other affiliates or investment teams and/or their clients, although investment opportunities that are sourced by TSI or its other affiliates are not required to be made available, in whole or in part, to Sightway or the Private Investment Funds. The Adviser, TSI and other affiliates have adopted a policy regarding the allocation of investment opportunities among the Private Investment Funds on the one hand and the Two Sigma Accounts on the other hand, which may impact the investment opportunities that are available to the Private Investment Funds (the "Two Sigma Group Allocation Policy"). Pursuant to the Two Sigma Group Allocation Policy, certain Private Investment Funds will generally have priority over other Two Sigma Accounts with respect to investment opportunities that the Sightway Team sources and Sightway will have the right to approve the participation of Two Sigma Accounts in such opportunities, if any. Similarly, Two Sigma Accounts will have priority with respect to investment opportunities that such affiliates or personnel source. The Two Sigma Group Allocation Policy is not the result of arm's length negotiations with any client or investor and will be subject to change, modification or adjustment in the future.

Notwithstanding the foregoing, investment opportunities that would enhance the operating platform of Two Sigma and therefore would amount to more than a financial investment are considered "Strategic Opportunities" under the Two Sigma Group Allocation Policy. For example, such Strategic Opportunities may also include strategic partnerships, commercial arrangements or co-development agreements with Two Sigma and its affiliates. With respect to Strategic Opportunities, Two Sigma and its affiliates, rather than Sightway or a Fund, will have priority, even if Sightway originally sourced the opportunity. The determination of whether an investment opportunity is "strategic" is made in accordance with the Two Sigma Group Allocation Policy and/or other applicable policies.

As a result of the Two Sigma Group Allocation Policy, a Private Investment Fund may not be able to take advantage of all investment opportunities sourced by Sightway. In certain circumstances, during the period that a portfolio company is owned by a Private Investment Fund or Two Sigma Account, it could become a suitable investment for one or more other Private Investment Funds, Other Managed Accounts or Two Sigma Accounts due to size, revenue, earnings, change in business focus or other characteristics. To the extent an opportunity is allocated in its entirety to TSI or its affiliates instead of to Sightway or a Private Investment Fund, such client will not participate in any investment gains it otherwise would have realized with respect to such opportunity if it had participated. Moreover, Sightway or such Private Investment Fund may not be compensated (or reimbursed) for the time and effort involved in identifying any such

investment opportunity. The Two Sigma Group Allocation Policy is not the result of arm's length negotiations with any client or investor. Conversely, a Sightway client will have no guaranteed right to participate in investment opportunities identified by TSI or its affiliates (other than Sightway). TSI and such affiliates will have priority over any opportunities such affiliate sources, with no obligation to offer any portion of such opportunities to Sightway or a Private Investment Fund. As a result, the Private Investment Funds will not be able to rely on TSI or its affiliates (other than Sightway) for a pipeline of investment opportunities,

The Sightway Team has the ability to invest in financial instruments for their own accounts whether or not through a formal family office or estate planning structure, to establish trusts, endowments charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. This may on occasion create conflicts of interest with the Private Investment Funds with regard to such matters as deciding whether to participate in particular investments or to dispose of certain investments. The Sightway Team is permitted to engage in personal investment activities, subject to Sightway's policies and procedures. Such personal investment activities could involve a conflict of interest with the investment activities of the Private Investment Fund.

A Private Investment Fund's general partner generally is permitted to receive a distribution in kind from the Private Investment Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the general partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Private Investment Fund's limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than Sightway deems suitable for the Private Investment Fund. Although the general partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Private Investment Fund's disposition thereof, neither the relevant Private Investment Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the general partner and its beneficial owners could exceed the value of the general partner's *pro rata* interest in the Private Investment Fund and the amount of carried interest owed. To the extent the beneficial owners of the general partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

The fact that Sightway's carried interest and Incentive Allocation is based on a percentage of net profits may create an incentive for Sightway to cause a Private Investment Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Private Investment Funds have a fixed investment period after which capital from investors generally may only be drawn down in limited circumstances, and because the Sightway Fund Management Fee is calculated based upon the invested capital of the Sightway Funds, the management fee structure may create an incentive for Sightway to deploy capital when it might not otherwise have done so. Sightway could also be incentivized to operate the activities of a Fund, including decisions of when to acquire or dispose of investments, based on the tax treatment of its carried interest.

The Memorandum and Fund Agreements provide Sightway with wide-ranging authority to make determinations, including those related to investment purchases, dispositions and other realizations (and their timing), valuation and other matters that in each case have the potential to affect Sightway's compensation. In making such determinations, Sightway is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Sightway or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Management Fee and carried interest compensation arrangements. Sightway expects to be incentivized to cause a Private Investment Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that would result in an investment being an Impaired Value Investment) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where Management Fees are calculated taking into account the valuation of an investment (e.g., in connection with certain write-off or permanent write-down determinations, as required by the applicable Fund Agreement), Sightway will have incentives to make determinations that result in higher, and in the continued payment of, Management Fees. Where the Fund Agreement does not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Sightway is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions or realizations, as well as, in certain instances, determinations that could result in an investment being an Impaired Value Investment, and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of or realize investments, make distributions, and/or make other determinations that could result in an investment being an Impaired Value Investment, within the requirements of the relevant Fund Agreement.

Sightway's wide-ranging authority on determinations that could result in investments being Impaired Value Investments, and the criteria used by the relevant general partner or its affiliates in valuing an investment, or making determinations that could result in an investment being an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant general partner's determination resulting in an investment being an Impaired Value Investment, and except as set forth in the Memorandum and Fund Agreement, neither the general partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Private Investment Fund's holding period. The applicable general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the relevant Fund Agreement. As a general matter, the standards to be met in order for an investment to be considered an Impaired Value Investment are intended to be high, and are not generally intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Sightway's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant general partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Sightway intends to operate in accordance with the Fund agreements, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such

policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Sightway may be faced with a variety of potential conflicts of interest when it determines allocations of various expenses to the Private Investment Funds and the Other Managed Accounts. Sightway, in its sole discretion, will allocate fees and expenses in accordance with the applicable Fund Agreement and in a manner that it believes is fair and equitable to the Private Investment Funds under the circumstances over time and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Private Investment Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size or in certain circumstances determining whether a particular expense has greater benefit to a Private Investment Fund or Sightway. In exercising such discretion, Sightway may be faced with a variety of potential conflicts of interest. Further, Sightway will be required to decide whether costs and expenses are to be borne by a Private Investment Fund, on the one hand, or a Private Investment Fund's general partner and/or Sightway, on the other. A conflict of interest could arise in Sightway's determination whether certain costs or expenses that are incurred in connection with the operation of a Private Investment Fund meet the definition of partnership expenses for which a Private Investment Fund is responsible, or whether such expenses should be borne by Sightway. Sightway will make such judgments in its discretion and in a manner that is fair and equitable under the circumstances, notwithstanding its interest in the outcome. Subject to applicable law and legal, contractual or similar restrictions, a Private Investment Fund will be reliant on the determinations of Sightway in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as among a Private Investment Fund, the Other Managed Accounts, and Sightway, including with respect to the determination of whether unconsummated transactions would have been allocated to a Private Investment Fund and therefore are properly allocable in whole or in part to a Private Investment Fund. Further, despite Sightway's good faith judgment to arrive at a fair and equitable expense allocation methodology, the use of any particular methodology may lead a Private Investment Fund to bear relatively more expense in certain instances and relatively less in other instances compared to what a Private Investment Fund would have borne if a different methodology had been used. Sightway in its good faith judgment may implement corrective allocations, and revise or change previously determined allocation methodologies, in an effort to ensure that such expenses remain fairly and reasonably allocation among a Private Investment Fund, Other Managed Accounts, and Sightway.

Sightway's personnel may have conflicts of interest in allocating their time and activity between a Private Investment Fund and the other funds and accounts managed by Sightway (including Other Managed Accounts), in allocating investments among a Private Investment Fund and such other funds and accounts and in effecting transactions between a Private Investment Fund and such other funds and accounts, including such other funds and accounts in which the Adviser (and the Sightway Team) may have a greater financial interest.

The Private Investment Funds expect to have controlling interests in many of their portfolio investments. With respect to such companies, Sightway typically has the right to appoint portfolio investment board members (including current or former Sightway personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of

their compensation. Portfolio investment board members may frequently approve compensation and/or other amounts payable to Sightway and/or its affiliates, and, except to the extent such amounts are subject to the applicable Fund Agreement's offset provision, are in addition to the Management Fee, carried interest and Incentive Allocation discussed herein. Sightway's authority to appoint or influence the appointment of portfolio investment board members who may be involved in approving compensation payable to the Sightway subjects Sightway and any such portfolio investment board appointees to potential conflicts of interest.

Additionally, a Private Investment Fund's portfolio investment typically will reimburse Sightway or service providers retained at Sightway's discretion for expenses (including without limitation travel expenses) incurred by Sightway or such service providers in connection with its performance of services for such portfolio investment. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Sightway personnel. This subjects Sightway and its affiliates to conflicts of interest because the Private Investment Funds are not expected to have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Sightway will typically determine the amount of these reimbursements for such services in its own discretion, subject to the applicable Fund Agreement and its internal reimbursement policies and practices.

Sightway will generally exercise its discretion to recommend to a Private Investment Fund or to a portfolio investment thereof that it contract for services with certain service providers, and such service providers are expected to include (i) Sightway or a related person of Sightway (which is permitted to include another portfolio investment of a Private Investment Fund), (ii) an entity with which Sightway or its affiliates or current or former personnel has a relationship or from which Sightway or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Sightway personnel are seconded, or from which Sightway receives secondees; or (iii) certain investors or their affiliates. For example, subject to certain limitations, Sightway expects to cause one or more Private Investment Funds to retain an affiliate of Sightway or Two Sigma to provide data-analytics, marketing, technology, acquisition, integration, rationalization, and/or other operations, due diligence or similar services to a Private Investment Fund or a portfolio investment. These situations will subject Sightway to conflicts of interest, because although Sightway selects service providers that it believes are aligned with its operational strategies and will enhance portfolio investment performance and, relatedly, returns of the Private Investment Funds, Sightway has a potential incentive to recommend the related or other person (including an investor) because of its financial or other business interest. There is a possibility that Sightway, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to a Private Investment Fund or Sightway), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Sightway will not necessarily seek out the lowest cost options when incurring (or causing a Private Investment Fund or its portfolio companies to incur) such expenses. Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Sightway expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Private Investment Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and

likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to provide services to Sightway or any Fund that will be the most beneficial to any limited partner.

In certain circumstances where the Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Sightway reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, Sightway undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Sightway reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest.

Whether or not Sightway has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Furthermore, certain amounts paid to Sightway, Two Sigma or their affiliates in respect of such services will not reduce the Management Fees. Sightway has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Sightway has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option.

It is expected that, in some cases, a Private Investment Fund’s portfolio investment will provide services to such investment funds and assets held by other Other Managed Accounts. In such cases, the Adviser would be subject to conflicts of interest in entering into, setting the terms of, and renewing or determining to cancel or modify contracts for the provision of such services. Sightway may determine that it is in the best interests of an Other Managed Account to withdraw from an investment product managed by the Private Investment Fund’s portfolio investment, or to cease having such portfolio investment service such an asset. In such cases, there is no obligation to make any such determination in the best interest of the Private Investment Fund or any portfolio investment, and such withdrawal or cessation of services may materially affect the value of a portfolio investment in which the Private Investment Fund is invested. Such arrangements, and the opportunity to acquire assets in such manager, may also influence the Sightway Team in its capacity as a manager or director of a platform company when determining whether the company should make or pass on an investment. Sightway may also have an incentive to cause a portfolio investment to accept lower rates for services performed in respect of such assets held by an Other Managed Account than it otherwise would accept.

Service providers often charge different rates or have different arrangements for services. For example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by a Private Investment Fund and/or a portfolio investment are

different from those used by Sightway or its affiliates, such entities may pay different amounts or rates than those paid by a Private Investment Fund and/or a portfolio investment. Discounted prices or better terms offered by a portfolio company to Sightway, any other portfolio company or third parties have the potential to affect the returns of the portfolio company. Similarly, Sightway, its affiliates, a Private Investment Fund or its portfolio investments may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Sightway) whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including, without limitation, the volume of transactions entered into with such counterparty by Sightway, its affiliates, the Private Investment Funds and portfolio investments in the aggregate. Sightway is under no duty to offer any discounts or lower rates it may receive to any Private Investment Fund.

Although the governing documents generally contain broad exculpation and indemnification provisions, Sightway will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Private Investment Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Sightway are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the governing documents of the relevant Fund. Investors generally will be responsible for insurance premiums, as set forth in the governing documents of the relevant Fund, regardless of whether the liability and/or indemnity standards in Sightway's insurance coverage are higher or lower than that set forth in the governing documents of the relevant Fund.

Sightway and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio investments owned by a Private Investment Fund or Other Managed Accounts; conversely, former personnel or executives of Sightway and/or its affiliates are expected to serve in significant management roles at portfolio investments or service providers recommended by Sightway. Similarly, Sightway, its affiliates and/or personnel maintain relationships (including family relationships) with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, law firms, consulting firms, banks, brokers, advisors (including mergers and acquisitions specialists), consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former members of the Sightway Team, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services for compensation (including services at reduced rates, or in exchange for favorable terms, including with respect to fees and preferential co-investment allocation rights, in connection with an investment in a Private Investment Fund or an Other Managed Account) to Sightway and/or its affiliates, and/or a Private Investment Fund or Other Managed Accounts. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Sightway entities, whether or not relating to financing Sightway Team obligations to fund general partner commitment obligations) to Sightway personnel and their estate planning vehicles. Sightway expects to be subject to a potential conflict of interest with a Private Investment Fund in recommending the retention or continuation of a third-party service provider to such Private

Investment Fund or a portfolio investment if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in a Private Investment Fund, will provide Sightway information about markets and industries in which Sightway or its affiliates operate (or is contemplating operations) or will provide other services that are beneficial to Sightway or one or more other Private Investment Funds. For example, Adviser reserves the right to cause a Private Investment Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Private Investment Fund; however, there can be no assurance that such payments will result in deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Private Investment Fund rather than the Private Investment Fund making the payment. The Adviser expects to be subject to a conflict of interest in making such recommendations, in that Sightway has an incentive to maintain goodwill between it and the existing and prospective portfolio investments for a Private Investment Fund, while the products or services recommended may not necessarily be the best available to the portfolio investments held by the applicable Private Investment Fund. Affiliates of Sightway may determine that there are conflicts of interest that limits their or their personnel's ability to engage in potential transactions. A Private Investment Fund's activities may be constrained as a result of these conflicts of interest.

Sightway, its affiliates, and equity holders, officers, principals and members of the Sightway Team reserve the right to buy or sell securities or other instruments that Sightway has recommended to the Private Investment Funds. In addition, officers, principals and members of the Sightway Team reserve the right to buy securities in transactions offered to but rejected by a Private Investment Fund, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Such transactions are subject to the policies and procedures set forth in Sightway's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of the Private Investment Funds. Members of the Sightway Team and related persons of Sightway have, and are expected to continue to have, capital investments in the Private Investment Funds, or in prospective portfolio investments, directly or indirectly, and therefore expects to have additional potential conflicting interests in connection with these investments.

Sightway's services to the Sightway Funds will be similar to the services Sightway provides to the TSPI Fund, such as identifying and evaluating such management teams and investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Due to Sightway's affiliation with the TSPI Fund's investors, Sightway has an incentive to provide support to the TSPI Fund that it may not otherwise provide to the Sightway Funds, the other investors in the Sightway Funds or the other vehicles whose investors are comprised of unrelated third-parties. Aggregate compensation and incentive payments to the Sightway Team will also potentially be affected by the performance of such other funds and accounts. Accordingly, such personnel may be undercompensated even where a Sightway Fund experiences successful returns. The TSPI Fund is expected to participate in one or more Sightway Funds, alongside such Sightway Funds' investors, and hold equity interests in the Securitized Asset Fund.

As noted, the Adviser also is an affiliate of the TSPI Fund and acts as the investment manager for the TSPI Fund and the Acquisition Entities, as well as acting as investment manager

for the Securitized Asset Fund and SWC Holding. For these and other reasons, various potential and actual conflicts of interest may arise for the Adviser with respect to its obligations to SWC Holding and the Securitized Asset Fund from the overall investment activities of the Adviser and the other Two Sigma Affiliates for the accounts of other clients. For example, the Adviser, the other Two Sigma Affiliates and their respective clients (including the TSPI Fund) may invest in assets that are senior to, or have interests different from or adverse to, the Third-Party Fund Investments. The Adviser and the other Two Sigma Affiliates may give advice or take action for their own account or their other client accounts which may differ from advice given or action taken for SWC Holding, or may have an adverse effect on Third-Party Fund Investments owned by SWC Holding. The Adviser may, in accordance with the pertinent investment management agreement, direct SWC Holding to dispose of certain Third-Party Fund Investments. The Adviser and the other Two Sigma Affiliates may also have ongoing relationships with, render services to, or engage in transactions with, or own interests in or obligations of, funds in which SWC Holding invests and companies whose interests or obligations are owned by such funds.

Any of the situations described above will subject Sightway and/or its affiliates to potential conflicts of interest. To the extent that an investment or relationship raises particular conflicts of interest, Sightway will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

Item 9. Disciplinary Information

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10. Other Financial Industry Activities & Affiliations

In addition to the Adviser (which is comprised of the Two Sigma Impact and Sightway Capital business lines), the Two Sigma Affiliates include four SEC-registered investment advisers, including: TSI, Two Sigma Advisers, LP (“TSA”), Two Sigma Investor Solutions, LP (“TSIS”) and TSV, as well as two broker-dealers registered with the SEC and the Financial Industry Regulatory Authority, Inc. (“FINRA”) and Two Sigma Securities, LLC (“TSS”). Additionally, the Adviser is affiliated with Two Sigma China Co., Ltd. (“TSC”), which is licensed as a Private Fund Manager with the Asset Management Association of China.

TSI, a Delaware limited partnership, manages third-party and proprietary private investment funds. All personnel of the Adviser have a direct employment relationship with TSI. TSA, a Delaware limited partnership, manages third-party private investment funds and provides advisory services to certain separately managed accounts, as well as sub-advisory services to an investment company and certain non-U.S. investment funds. TSV, a Delaware limited partnership, manages third-party and proprietary private investment funds. TSIS, a Delaware limited partnership, provides non-discretionary investment-related services, principally through an online analytics platform called Venn®, to help its clients with strategic asset allocation, risk management, and certain other portfolio-related matters. TSC, a Chinese Wholly Foreign-Owned Enterprise incorporated as a limited liability company, manages Chinese private investment funds. The Form ADV Part 2A brochures for each of TSI, TSV, TSA and TSIS, as well as the brochure for the Adviser’s Two Sigma Impact business, are available through the SEC’s Investment Adviser Public Disclosure website. Finally, the Adviser is affiliated with Two Sigma Real Estate, LP (“TSRE”), a Delaware limited partnership, which generally takes a human-led, machine supported approach to investing in real estate assets.

TSI and TSA are each registered as both a commodity pool operator and a commodity trading advisor with the U.S. Commodity Futures Trading Commission (the “CFTC”) under the Commodity Exchange Act. Additionally, TSIS is registered as a commodity trading advisor with the CFTC under the Commodity Exchange Act. TSS is a member of FINRA and is licensed as a “High Speed Trader” with Japan’s Financial Services Agency and a number of other self-regulatory organizations and exchanges. Further, the Adviser is affiliated with Two Sigma Securities UK Limited, which is authorized as an investment firm with the United Kingdom’s Financial Conduct Authority and trades for its own account. The Adviser is also affiliated with Two Sigma International Limited (“TSIL”), which is authorized and regulated by the Financial Conduct Authority of the United Kingdom and provides a number of services for other Two Sigma Affiliates, including in connection with TSIL serving as a “participating affiliate” of such Two Sigma Affiliates, and TSIL’s personnel as “affiliate associated persons,” as such terms are used in no-action relief granted by the SEC for purposes of permitting the sharing of investment advisory personnel and services of a non-U.S. affiliate of a registered investment adviser. The Adviser and/or its affiliates may form additional broker-dealers and/or other U.S. or non-U.S. regulated entities in the future. TSS is currently a member of a number of self-regulatory organizations and exchanges. TSS and/or any such additional broker-dealer and/or other regulated entity may, in the future, also become a member of one or more additional self-regulatory organizations, securities exchanges, futures exchanges or other trading venues.

The Adviser and certain of its related persons are affiliated with and/or own interests in

TSA, TSI, TSV, TSIS, TSRE, TSC, TSIL and/or TSS. TSI provides various services to the Adviser, including, but not limited to: operations; administrative, legal, technical and clerical services, human resources and clerical services (e.g., finance, treasury, accounting, tax, business management, data procurement support and cleansing, engineering and modeling, legal and compliance, workplace services staff, recruiting and human resources and marketing and sales support); access to technology equipment and office facilities; maintenance and support services; and other related and miscellaneous services. All personnel of the Adviser are also employed by TSI. An arrangement has been formalized in the Services Agreement, pursuant to which the Adviser will pay TSI a fee for the provision of these services. Such fee will be borne by the Adviser and will not be borne, directly or indirectly, by investors.

Further, certain related persons of the Adviser are affiliated with and/or own interests in Two Sigma Private Investments, LLC, which as the managing member or allocation shareholder of the TSPI Fund is entitled to receive the performance-based compensation from the TSPI Fund as discussed in Item 5 hereof. Similarly, certain related persons of the Adviser are affiliated with and/or own interests in Sightway Capital I GP, LP, the general partner of Fund I, and also are affiliated with and/or own interests in the general partner entities of other Sightway Funds and Other Managed Accounts. In each case, such persons are or are expected to be entitled to receive performance-based compensation from the applicable Sightway Fund as discussed in Item 5 hereof or such Other Managed Accounts in accordance with the terms thereof.

The Adviser's affiliates (as well as their respective principals and certain personnel) engage in a wide range of investment and other financial activities, many of which are not offered to the Funds (or investors therein). The growth of Two Sigma may increase competition between and among the Funds, clients of the Adviser's affiliates and the Adviser's affiliates themselves, and may decrease the number of investment opportunities available to the Funds and clients of the Adviser's affiliates. Such competition creates inherent conflicts of interest among affiliates within Two Sigma. Each of the Adviser and its affiliated SEC-registered investment advisers owes a fiduciary duty to its own clients to act in their best interests and manage the client's assets in accordance with the applicable Fund Agreement and/or other pertinent investment guidelines, as applicable.

Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading

The Adviser has adopted a Code of Ethics (the “Code of Ethics”) and certain other policies and procedures that obligate the Adviser and its supervised persons to put the interests of its client, *i.e.*, the Funds before their own interests and to act honestly and fairly in all respects in their dealings with the Funds. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. The Adviser will supply a complete copy of its Code of Ethics to a client, prospective client, any investor or prospective investor who requests a copy.

The Adviser and the Adviser’s supervised persons effect transactions for their own accounts (and for personal or employee investment vehicles and potentially for family members, friends or others who are not investors in a Fund) in the same securities or other investments purchased or sold for the Funds. To ensure that trading by the Adviser’s supervised persons is conducted (i) in a manner that does not adversely affect the Adviser’s trading on behalf of the Funds and (ii) in a manner that is consistent with the fiduciary duties owed by the Adviser to the Funds, the Adviser has adopted the Code of Ethics and attendant policies and procedures governing, among other things, transactions by the Adviser’s supervised persons and other “covered persons” (*e.g.*, any such supervised person’s spouse, immediate family members, any person to whom a supervised person provides primary financial support, partnerships and corporations in which supervised persons maintain a certain level of beneficial interest, and any person with whom supervised persons share common financial support).

The Code of Ethics and attendant policies and procedures contain provisions designed to, among other things, (i) prevent improper personal trading by the Adviser’s supervised persons and other covered persons; (ii) identify actual or potential conflicts of interest; and (iii) provide guidance in resolving certain actual or potential conflicts of which the Adviser is aware of in favor of a client. To accomplish these objectives the Adviser is required under the Code of Ethics and attendant policies and procedures to, among other things (i) require pre-clearance of personal trades in “reportable securities” (as defined in the Code of Ethics) and certain other assets by the Adviser’s supervised persons and covered persons; (ii) restrict the number of such trades by the Adviser’s supervised persons and covered persons in a given month; (iii) prohibit certain trading by the Adviser’s supervised persons and covered persons in securities of issuers listed on any “restricted list” (as defined in the Code of Ethics); and (iv) generally, require minimum holding periods in connection with certain transactions.

The Adviser engages in principal transactions. When the Adviser and/or its affiliates engage in such transactions, the Adviser seeks to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act. For example, it is intended that SWC Holding will acquire new Third-Party Fund Investments from the TSPI Fund. Such acquisitions may constitute “principal transactions” within the meaning of Section 206(3) of the Advisers Act as the TSPI Fund, an affiliate of the Adviser, will be acting as principal for its own account with respect to the sale of a security to SWC Holding. In connection with the anticipated subsequent transfers of assets from the TSPI Fund to SWC Holding, the board of the Securitized Assets Fund will establish the Conflicts Advisory Board that is responsible for reviewing and consenting on behalf of the Securitized Assets Fund to these transactions in accordance with the Section 206(3) requirements.

SWC Holding may also sell Third-Party Fund Investments to the TSPI Fund pursuant to and subject to the limitations contained in the pertinent investment management agreement. To the extent such dispositions could reasonably be deemed “principal transactions,” they will be submitted to the Conflicts Advisory Board.

The Adviser will endeavor to resolve conflicts with respect to Third-Party Fund Investments in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances. Further, the Adviser will be prohibited under the pertinent investment management agreement from directing the disposition of Third-Party Fund Investments to the Two Sigma Affiliates or any account managed by the Adviser, except (1) in a transaction conducted at no less than the greater of (x) the applicable adjusted NAV (as further specified in the offering circular) and (y) fair market value (as defined in the Indenture) and (2) in each case where the transaction otherwise complies with the requirements of the Advisers Act, to the extent applicable (including any required approval by the Conflicts Advisory Board).

As previously noted, the TSPI Fund holds the equity interests in the Securitized Asset Fund, which also has investors who are Noteholders. Investments at different levels of an issuer’s capital structure or otherwise in different classes of an issuer’s securities, create conflicts of interest. For example, conflicts could arise where a Noteholder lends funds to the Securitized Asset Fund while another Fund holds the equity. In this circumstance, for example, if the Securitized Asset Fund goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest would arise between the holders of different types of securities as to what actions the Securitized Asset Fund should take. Also, as described above under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss—Risks Related to the Notes—The Notes Are Subject to Redemption and Prepayment,” the Notes are subject to optional redemption. The Adviser will make determinations as to optional redemptions of the Notes without regard to the effect such redemptions may have on Noteholders.

There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Adviser and its affiliates, certain of which are described above under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss.”

The Adviser has also adopted policies and procedures regarding the receipt of gifts and business entertainment by the Adviser’s access persons from certain third parties (*e.g.*, vendors, broker-dealers, consultants, etc.). Specifically, these policies and procedures require access persons to report the receipt of gifts and business entertainment in excess of pre-established *de minimis* thresholds. The Adviser reviews these reports for any potential conflicts of interest with respect to individual instances of gifts or business entertainment, as well as patterns of the same over time, to seek to prevent access persons from placing their own interests ahead of the interest of a Fund.

The Code of Ethics and the Adviser’s other policies and procedures also address the following key areas: (i) recordkeeping; (ii) oversight of the Code of Ethics; (iii) conflicts of interest; (iv) the treatment of confidential information; (v) compliance with SEC rules and

regulations; (vi) reporting misconduct; (vii) political contributions; and (viii) outside activities. Periodic training regarding the Code of Ethics and the Adviser's other policies and procedures are provided to the Adviser's supervised persons.

The Code contains provisions designed to prevent improper personal trading by the Adviser's access persons. Pursuant to the Code, all of the Adviser's "access persons" and "covered persons" must obtain pre-approval prior to trading a reportable security unless such person has a managed account with an independent adviser who has discretionary investment authority.

The Adviser's access persons and covered persons are prohibited from trading securities on any applicable restricted list, and generally are prohibited from participating in "new issues." Short selling is prohibited. The Adviser's current personal trading policies limit the brokers that "access persons" and "covered persons" can use for personal trading. All investment accounts and positions in reportable securities need to be disclosed upon joining the Adviser, and duplicate copies of brokerage account statements or their electronic equivalent generally must be sent to the Adviser's compliance group.

The Adviser expects to come into possession of certain information that it believes to be confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser is expected to receive such information directly as a result of its investment advisory activities for a Fund, or indirectly as a result of its relationship with affiliates including, but not limited to, TSA, TSI, TSV, TSIS, TSS, TSRE, TSIL and TSC, or through other activities such as strategic partnership negotiations or the board or credit committee service of the Adviser's personnel. The Adviser will have no responsibility or liability to the Funds for not disclosing such information to the Funds (or the fact that the Adviser possesses such information), or not using such information for a Fund's benefit, as a result of following the Adviser's policies and procedures which are designed to provide reasonable assurances that it is complying with applicable law.

Item 12. Brokerage Practices

The Adviser focuses primarily on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser expects to consider a variety of factors, including, among others: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) margin required; and (v) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not currently make use of such services and has not made use of such services since its inception.

In connection with the Adviser’s private company securities transactions on behalf of a Fund, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the Fund and/or its portfolio companies. In determining to retain such parties, the Adviser expects to consider a variety of factors, including, among others: (i) execution capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and a Fund may not pay the lowest commission or fee for such services.

Item 13. Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which each Fund invests, and such companies are subject to supervision and review by the Adviser's investment professionals.

Each Fund generally will provide to its investors annual audited financial statements prepared in accordance with GAAP and quarterly unaudited financial statements, as well as periodic (at least quarterly) reports concerning the Fund and its investments. The Adviser and certain Private Investment Funds are permitted to and have entered into agreements with certain investors to provide such investors with additional (or more frequent) reports, including detailed information regarding portfolio positions.

Item 14. Client Referrals & Other Compensation

The Adviser reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Private Investment Fund. Any fees payable to any such placement agents will be borne by the Adviser indirectly through an offset against the relevant Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, are typically borne by the relevant Private Investment Fund(s) and are therefore in addition to applicable management fees and carry. In addition, in accordance with applicable law, the Adviser compensates certain third parties for assistance in connection with soliciting investors in one or more non-U.S. jurisdictions.

The Adviser has developed relationships with certain third-party investment consultants (“Investment Consultants”) that are neither affiliated with nor compensated by the Adviser. Investors and prospective investors in Private Investment Funds retain these same Investment Consultants to advise them on the selection and review of investment managers and investment products, including in respect of the Adviser and its Private Investment Funds. Such Investment Consultants do not act on behalf of the Adviser, and their services are generally outside the scope of any offering of securities by the Adviser and/or its Private Investment Funds. Furthermore, the Adviser does not participate in the advisory services offered by such Investment Consultants to their clients and generally seeks to ensure that Private Investment Funds and investors in Private Investment Funds rely solely on the applicable offering memorandum, limited partnership or equivalent agreement and other governing documents.

Item 15. Custody

The Adviser and certain of its affiliates generally expect that they will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, where applicable, and expects to meet certain applicable requirements of the Custody Rule through compliance with the conditions of the pooled vehicle annual audit provision.

Item 16. Investment Discretion

The Adviser generally has discretionary authority to manage investments on behalf of the Funds (with the exception of certain investments on behalf of SWC Holding and certain fund-of-one vehicles associated with Sightway Fund I that require approval). The Adviser expects to have discretionary authority to manage investments on behalf of future Funds, pursuant to the terms of the investment management agreement with these Funds and the powers of attorney executed by each Fund's equity investors although in certain circumstances a Fund may be established where investors in a Fund may have initial discretionary authority over the investments made by the Fund.

Item 17. Voting Client Securities

Where the Adviser votes proxies regarding a Fund's investments, it does so in accordance with adopted policies and procedures and in what it believes is the best interest of the Fund. Because few, if any, of the Funds' investments are in publicly traded securities, the Adviser does not receive a large number of proxy solicitations in connection with such securities, and the proxy solicitations it does receive are generally of a bespoke nature. In certain instances, noteholders in a Fund may be entitled to certain voting rights in respect of their investment. Such noteholders will be solely responsible for exercising their voting rights consistent with the provisions set forth in the relevant offering and governance documents for the Fund.

In addition to proxy solicitations in connection with the equity securities of traditional public operating companies, "voting client securities" is deemed to include similar consents regarding private companies and consents requested in matters concerning a client's investment. This includes (but is not limited to) bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities. In such instances, the Adviser will vote proposals, as well as amendments, consents or resolutions relating to a Fund's securities (including interests in private investment funds) in a manner that it believes is in the best interest of the pertinent Fund. In some circumstances, the Adviser will refrain from voting client securities where the Adviser believes that voting on such matters would not otherwise impact the value of the investment, or would not be consistent with the best interest of the particular Fund. In such instances, the Adviser will take into consideration (among others) the cost of voting the securities, the anticipated benefit to the Fund, and whether that Fund continues to hold the securities on the voting date.

If a material conflict of interest between the Adviser and a Fund exists regarding the voting of client securities, the Adviser will take reasonable steps to address the conflict, including consulting with outside counsel as the Adviser, in its sole discretion, determines necessary or advisable, to ensure that the conflict does not influence the decision to vote in a manner that is not in the best interest of the Fund.

An investor may obtain (i) a copy of the Adviser's proxy voting policies and procedures and (ii) information on how the Adviser voted proxies for the pertinent Fund by contacting the Adviser at (212) 625-5700.

Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of this Brochure.