

**Juniper Hill Capital Management, LP**

**1010 El Camino Real, Suite 200**

**Menlo Park, CA 94025**

**(650) 319-3660**

**March 29, 2024**

Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Juniper Hill Capital Management, LP and its affiliates (collectively, “Juniper Hill” or “Adviser”). For more information on the disclosure requirements required for the Brochure see the “General Instructions for Part 2 of Form ADV” by visiting [www.sec.gov/rules/final/2010/ia-3060.pdf](http://www.sec.gov/rules/final/2010/ia-3060.pdf).

If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer, Reena Jashnani-Slusarz (650-319-3660 / [rjslusarz@jhcap.com](mailto:rjslusarz@jhcap.com)). Additional information about Juniper Hill is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Juniper Hill is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## **Item 2: Material Changes**

This Brochure has been prepared by Juniper Hill and supersedes the prior version. This Brochure contains routine updates, clarifications and disclosures to reflect the increasing complexity of our business. While we do not believe these updates and clarifications constitute material changes since our other than annual amendment, dated November 20, 2023, we encourage readers to review this Brochure carefully.

## **Item 3: Table of Contents**

<b>Item 2: Material Changes.....</b>	<b>2</b>
<b>Item 3: Table of Contents.....</b>	<b>3</b>
<b>Item 4: Advisory Business .....</b>	<b>4</b>
<b>Item 5: Fees and Compensation.....</b>	<b>5</b>
<b>Item 6: Performance-Based Compensation and Side-by-Side Management.....</b>	<b>7</b>
<b>Item 7: Types of Clients.....</b>	<b>9</b>
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>10</b>
<b>Item 9: Disciplinary Information.....</b>	<b>30</b>
<b>Item 10: Other Financial Industry Activities and Affiliations .....</b>	<b>31</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>32</b>
<b>Item 12: Brokerage Practices.....</b>	<b>33</b>
<b>Item 13: Review of Accounts.....</b>	<b>35</b>
<b>Item 14: Client Referrals and Other Compensation.....</b>	<b>36</b>
<b>Item 15: Custody .....</b>	<b>37</b>
<b>Item 16: Investment Discretion.....</b>	<b>38</b>
<b>Item 17: Voting Client Securities.....</b>	<b>39</b>
<b>Item 18: Financial Information .....</b>	<b>40</b>

## Item 4: Advisory Business

Juniper Hill is an investment advisory firm organized as a limited partnership under the laws of the State of Delaware. Chuckra (“Chuck”) Chai, Chief Investment Officer and Managing Partner of Juniper Hill, founded Juniper Hill on October 8, 2018. Juniper Hill was registered with the SEC on February 15, 2019. Juniper Hill currently has 12 employees, six of which are investment professionals. Juniper Hill is owned and controlled by Chuck Chai. As of December 31, 2023, Juniper Hill’s discretionary regulatory assets under management are estimated to be \$4,301,751,816. Furthermore, as of December 31, 2023, Juniper Hill’s non-discretionary regulatory assets under management are estimated to be \$1,854,095,323.

Juniper Hill manages, on a discretionary basis, two private investment funds, Juniper Hill Capital Fund LP, a Delaware limited partnership (the “Onshore Fund”), and Juniper Hill Capital Fund (Offshore) LP, a Cayman Islands exempted limited partnership (the “Offshore Fund”). The Onshore Fund and the Offshore Fund generally conduct their investment program through Juniper Hill Capital Fund (Master) LP, a Delaware limited partnership (the “Master Fund” and together with the Onshore Fund and the Offshore Fund, the “Fund”). Although the investment strategy of the Offshore Fund is expected to be similar to that of the Onshore Fund, the Onshore Fund and the Offshore Fund may make certain investments directly rather than through the Master Fund due to certain tax, regulatory, legal and other considerations. Juniper Hill Capital Fund GP LP, a Delaware limited partnership, serves as the general partner to the Onshore Fund, Offshore Fund and Master Fund (the “General Partner”) and is an affiliate of Juniper Hill. Depending on the context, references herein to “Juniper Hill” or “Adviser” may also include references to the General Partner.

Juniper Hill has also entered into advisory arrangements with a family office which was the former employer of Chuck Chai and certain personnel of Juniper Hill (the “Originating Family Office”) pursuant to which Juniper Hill has been engaged to provide certain investment advisory services, both on a discretionary basis and on a non-discretionary basis.

In the future, Juniper Hill may sponsor and manage other private investment funds or manage separate accounts on a discretionary or non-discretionary basis.

In providing investment management services to its clients (each, a “Client”), the Adviser formulates its investment objective, directs and manages the investment and reinvestment of each Client’s assets (or, with respect to Clients it advises on a non-discretionary basis, sources, evaluates, recommends and monitors investments), and provides reports to Clients. Investors in a Client, in their capacity as investors in a Client, are not Juniper Hill’s clients and are generally referred to as investors in this Brochure. The Adviser manages the assets of each Client in accordance with each Client’s individual investment objective and any restrictions or guidelines set forth in each Client’s respective limited partnership agreements, investment advisory agreements, private placement memoranda, subscription documents and other agreements negotiated with Clients (collectively, the “Governing Documents”).

Juniper Hill pursues a flexible mandate intended to compound capital at an attractive risk-adjusted rate of return over a long time horizon. Juniper Hill seeks to partner with a select group of premier investment managers and make direct investments.

Juniper Hill does not participate in wrap fee programs.

## **Item 5: Fees and Compensation**

Fees and expense arrangements are described in detail in each Client's Governing Documents. The fee and expense terms reflect the particular needs and characteristics of the services provided to each Client, and as a result, are negotiable. Juniper Hill may waive or modify provisions of the Governing Documents with respect to a specific investor in a Client, including the fees charged to the respective investor without obtaining the consent of any other investor in such Client.

### Management Fees and Performance Compensation

In connection with providing advisory services to Clients, Juniper Hill typically charges each Client a management fee that is generally equal to a percentage of the assets held in a Client account, although Juniper Hill may also charge fees using other methodologies, including on a fixed-fee basis. In the case of the Fund, in addition to an asset-based management fee, Juniper Hill is also entitled to a management fee on a percentage of the Fund's unfunded commitments although Juniper Hill has waived the charge for a period of time as of the date of this Brochure. Advisory fees will generally be deducted from the Client accounts, typically in advance, on a quarterly basis, but may be paid in any other manner as set forth in the relevant Governing Documents. In the event an advisory relationship is terminated, any unearned fees (beyond agreed-upon minimum fees) will be refunded on a pro rata basis to the applicable Client. Additionally, as described in more detail below in Item 6: Performance-Based Compensation and Side-by-Side Management, Juniper Hill is also entitled to performance-based compensation on a percentage of capital appreciation in respect of certain Client accounts.

In addition to Juniper Hill's management fees and performance-based compensation, Clients typically incur fees charged by the general partner or manager of underlying investments into which Juniper Hill invests on behalf of the Clients.

The expenses charged to Clients are set forth in detail in the Clients' Governing Documents. Below is summary of those expenses.

### Organizational Expenses

The Fund generally pays for expenses related to its organization (subject to certain agreed upon caps in the Governing Documents). Such expenses include legal expenses associated with the offering and formation of the Fund and negotiations with investors, expenses of tax advisors in connection with structuring, filing expenses and fees incurred in connection with organizing and establishing the Fund and its affiliates, and expenses incurred in connection with marketing and offering of interests in the Fund (including certain travel, meals and lodging expenses, and printing costs incurred in connection with the offering of interests in the Fund).

### Investment and Operational Expenses

The Fund generally bears all costs and expenses directly related to its investment program, including (i) management fees; (ii) expenses (including reasonable transportation, meal and lodging expenses of the personnel of the General Partner, the Adviser and their affiliates) relating to the origination, evaluation, diligence, structuring, acquisition, financing, asset management, holding, monitoring, capitalization and sale or disposition of actual and potential investments (whether or not consummated) and temporary investments, including all out-of-pocket fees, costs, and expenses fairly allocable to the Fund in negotiating non-disclosure agreements and other similar agreements related to evaluating

actual or potential investments and any expenses agreed to be borne by the Fund under any agreement related to the acquisition of investments from the Originating Family Office; (iii) sales commissions and fees, commitment fees, non-refundable deposits and costs and expenses incurred in connection with the acquisition or disposition of actual or potential investments (whether or not consummated); (iv) fees, costs and expenses incurred in obtaining research and other information for the benefit of the Fund, including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems used to obtain such research and other related information (such as phone and internet charges); (v) carried interest, incentive allocations, management fees or similar fees, costs and expenses payable or allocable to joint venture partners or payable pursuant to the terms of an investment; (vi) principal and interest and fees, commissions, costs and expenses and other amounts payable related to or arising from any indebtedness or hedging activities of the Fund, including the Fund's credit facility; (vii) fees, costs and expenses relating to obtaining investment and market research and information, whether or not they relate to a particular investment, including expenses (including reasonable transportation, meal and lodging expenses of the personnel of the General Partner, the Adviser and their affiliates) related to conferences and meetings in connection therewith; costs related to the operations of the Fund, including fees and expenses of any third-party administrator; (viii) fees and expenses of experts, appraisers, custodians, outside counsel, consultants, accountants, auditors, tax return preparers and other professionals, including expenses associated with the preparation of the financial statements and tax returns and other tax filings of the Fund (including any such persons retained by the Fund's advisory committee); (ix) premiums for casualty and other insurance protecting the Fund and its property and investments from loss; (x) premiums for insurance protecting the Fund and certain persons from liabilities to third parties in connection with investments and other activities; (xi) expenses related to organizing, maintaining, operating and restructuring entities through or in which investments may be made; (xii) expenses of the Fund's advisory committee and expenses of any meeting of the Fund's partners or meetings with individual investors related to their investment (including costs of the investors and the General Partner incurred in connection with attending any such meetings); (xiii) taxes and other governmental charges, fees and duties payable or incurred by the Fund or any special purpose vehicles or other entities formed to facilitate an investment; (xiv) any amounts subject to indemnification under the Governing Documents; (xv) software and technology expenses related to activities of the Fund; (xvi) costs of preparing and distributing reports to, or responding to information requests from, the investors (including costs associated with maintaining any web-based investor portal); (xvii) costs associated with compliance with side letters; (xviii) expenses related to the sale, transfer or withdrawal of interests in the Fund or the withdrawal of any investor; (xix) costs and expenses associated with litigation, arbitration and similar proceedings involving the Fund; (xx) costs of winding up and liquidating the Fund; (xxi) any and all expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of the Fund or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the limited partnership agreement; (xxii) any and all expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Fund; and any and all expenses incurred in connection with any valuation of the assets of the Fund; (xxiii) any withholding, transfer or other taxes (including any interest and penalties with respect thereto) imposed on the Fund; (xxiv) fees, costs and expenses (including legal fees and expenses) incurred for the Fund to comply with any applicable law, rule or regulation (including regulatory filings, the engagement of third-party service providers or other expenses of the Fund); (xxv) fees costs and expenses of the General Partner and the Adviser incurred to comply with any applicable law, rule or regulation, including regulatory filings and cost of third-party compliance consultants; (xxvi) the costs, fees and

expenses for financial and tax accounting, bookkeeping and reporting services, and administrative services performed by any person on behalf of the Fund (e.g., the administrator of the Fund), including the cost of any audit of the Fund's financial statements and the preparation of its tax returns; (xxvii) the costs, fees and expenses of legal counsel (including in-house legal counsel of the General Partner or its affiliates) and any other litigation or investigation involving Fund activities; (xxviii) specific expenses incurred in obtaining, maintaining or performing systems, research and other information, including information service subscriptions, compliance and risk management systems and technology and communication systems, utilized with respect to the Fund's investments including without limitation for portfolio management, valuations and accounting purposes, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware, software, phone and internet charges; and (xxix) the costs associated with maintaining "directors and officers" or similar liability insurance for the benefit of the Fund, the General Partner, the Adviser, or any other indemnified person. The Fund also bears the costs, fees and expenses associated with the organization and the ongoing operation of the Fund and the initial and ongoing offering of the interests, including legal and accounting fees, printing costs, reporting and providing information to existing and prospective partners, travel fees and expenses related to the Fund's offering, filing fees (including any Form D and "blue sky" filing fees), due diligence fees, marketing expenses, and other out-of-pocket expenses and compliance with any applicable federal and state laws.

Managed account Clients are generally expected to bear similar types of investment program expenses as those borne by private fund Clients and any other expenses set forth in their Governing Documents. Expenses payable by managed account Clients are expected to be subject to limitations set forth in the relevant Governing Documents.

Expenses are borne by a single Client or a class or series of interests of a Client where such expense is attributable solely to such Client or such class or series of such Client. However, in many cases, expenses may be allocated among multiple Clients. Juniper Hill has established an expense allocation policy intended to mitigate risks and ensure that expenses are allocated in a fair, equitable, and consistent manner across Clients. To the extent that expenses to be borne by a Client are paid by the Adviser or its affiliates, such expenses can be reimbursed or offset against other monies.

Additional information relating to transaction costs is included in Item 12: Brokerage Practices.

## **Item 6: Performance-Based Compensation and Side-by-Side Management**

Juniper Hill enters into performance-based compensation arrangements with its Clients. The terms of the performance-based compensation arrangements vary among Clients. There are different return hurdles and different compensation arrangements reflecting the customized objectives and preferences of each Client. The performance-based compensation may be calculated on the basis of outperformance relative to an agreed upon benchmark. In such cases, Juniper Hill may earn performance-based compensation even if the Clients' overall performance is negative. In measuring a Client's assets for the calculation of performance-based compensation, Juniper Hill includes realized and unrealized gains and losses.

Performance-based compensation arrangements generally align incentives with Client goals, although they can also create conflicts of interests. Such performance-based compensation arrangements may create an incentive for the Adviser to recommend investments that are riskier than those which would

be recommended under a different compensation structure. Performance-based compensation arrangements can also create an incentive to favor some accounts over others in the allocation of investment opportunities. Juniper Hill employs procedures designed to manage and minimize these conflicts. These procedures apply a formulaic approach to constrained allocations but preserve the flexibility for Juniper Hill to determine on a case-by-case basis the most fair and appropriate set of factors to consider when allocating constrained investment opportunities among Clients in consideration of each Client's specific portfolio holdings, liquidity, objectives and customized mandates.

Certain personnel of Juniper Hill who used to work for the Originating Family Office continue to have passive economic interests in various entities and incentive plans established by the Originating Family Office with respect to certain of the Originating Family Office's investments, including investments held by both the Originating Family Office and the Fund. Juniper Hill has an investment allocation policy designed to address investment opportunities that either face capacity constraints or the allocation of which presents potential conflicts of interest between or among various Clients and/or Juniper Hill.

## **Item 7: Types of Clients**

Juniper Hill provides discretionary and non-discretionary investment advisory services to its Clients. Investors in the Fund may include institutional investors, pensions, endowments, foundations, family offices, sovereign wealth funds, estate planning vehicles and high net worth individuals, among others.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

Juniper Hill seeks to partner with a select group of premier investment managers and make direct investments with the objective of maximizing risk-adjusted real returns over the long term.

Juniper Hill, on behalf of the Clients, will allocate capital to interests in third-party managed investments (such as private equity funds, real estate funds, energy funds, and certain hedge funds) as well as to direct investments. The composition of a portfolio is likely to vary with the investment opportunity set.

### **Summary of Certain Risk Factors**

Market risks are inherent in all investments to varying degrees. Juniper Hill's investment strategy is speculative and entails substantial risks. There can be no assurance that a Client's investment objectives will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on investment portfolios managed by Juniper Hill.

The following list of risk factors relates only to Juniper Hill's investment strategy and does not purport to be a complete enumeration or explanation of the risks involved in an investment by a Client, including the general business and regulatory risks of an investment in private investment funds, operational risks, general market risks, general credit risks, liquidity risks, or other risks. Additional details regarding risk factors are available in the offering documents of the Fund.

### **General Market Conditions Risks**

General Economic and Market Conditions and Government Actions The success of a Client's and any third-party managed investment's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Clients' and third-party managed investments' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of investments. Volatility or illiquidity could impair profitability or result in losses. The Clients and third-party managed investments may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets. From time to time, world financial markets experience extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function normally. When they occur, these events can be attributed to a multiplicity of factors many of which are difficult to predict and which may prompt a regulatory response in the United States and other countries.

The Clients and third-party managed investments may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on investments.

Market Disruptions The Clients and third-party managed investments may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the Adviser or the general partners or investment managers of any third-party managed investment bases a number of their trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Clients and third-party managed investments from their banks, dealers, lenders and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Clients and third-party managed investments. Market disruptions caused by unexpected political, military and terrorist events, for example, a war or the death of a major political figure, may from time to time cause dramatic losses for the Clients and third-party managed investments, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Inflation Risk If an investment is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. The Fund and third-party managed investments may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment may earn more revenue but may incur higher expenses. As inflation declines, an investment may not be able to reduce expenses commensurate with any resulting reduction in revenue. Certain investments may rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs and may reduce the amount of levered, after-tax cash flow generated by an investment.

U.S. Banking Turmoil The U.S. banking system experienced a significant shock with the second largest default since 2008 on March 10, 2023, a further bank closure on March 12, 2023, and extraordinary actions by the U.S. Federal Deposit Insurance Corporation (the “FDIC”), the U.S. Treasury and the U.S. Federal Reserve. The FDIC’s intervention was implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. Governmental authorities may continue to undertake a variety of initiatives designed to strengthen and stabilize the economy and the financial markets. However, there can be no assurance that these initiatives will be successful, and there is no way to predict the ultimate effect of the disruption or the effect that these initiatives will have on the performance of the Fund and third-party managed investments.

The current turmoil of the U.S. banking system has raised fears of broader financial contagion and there are many unknowns for what the ripple effect of the current challenges will mean for the entire market. Any deterioration of the global debt markets (particularly the U.S. debt markets), any possible future failures of certain financial services companies and a significant rise in market perception of counterparty default risk, interest rates or taxes will likely significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the recent past. The ability of the Fund and third-party managed investments to generate attractive investment returns for investors may be adversely affected to the extent the Fund or third-party managed investments are unable to obtain favorable financing terms for their investments. Any market turmoil, as well as a perceived increase in counterparty default risk, may have an adverse effect on the availability of credit to businesses generally and may lead to an overall weakening of the U.S.

and global economies, which in turn may adversely affect or restrict the ability of the Fund and third-party managed investments to sell or liquidate investments at favorable times or at favorable prices or otherwise have an adverse effect on the business and operations of the Fund. Governmental authorities have undertaken, and may continue to undertake, a variety of initiatives designed to strengthen and stabilize the economy and the financial markets. However, there can be no assurance that these initiatives will be successful, and there is no way to predict the ultimate effect of the disruption or the effect that these initiatives will have on the performance of the Fund or third-party managed investments.

In addition, valuations of the Fund and third-party managed investments in the current environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation.

**Public Health Crisis** A public health crisis, such as the outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact the Fund and third-party managed investments. Disruptions to commercial activity, including important global, regional and local supply chains and economic markets (due to the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, may materially and adversely impact the Fund and third-party managed investments. In addition, such disruptions may negatively impact the ability of the Employee's to effectively identify, monitor, operate and dispose of investments and the Fund's ability to achieve its investment objectives, all of which could result in significant losses to the Fund. Finally, the outbreak of COVID-19 contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect the ability to secure financing for investments or identify potential purchasers of investments, all of which could have material and adverse impact on the Fund's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) presents material uncertainty and risk with respect to the Fund's performance.

## **General Investment Risks**

The Clients and third-party managed investments are permitted to invest in a wide variety of securities, assets and instruments and utilize a wide variety of investment strategies. The discussion below is intended to describe risks associated with certain investments and investment strategies in or through which the Clients and third-party managed investments may in the future invest.

**General** All investments in securities risk the loss of capital. The Clients and third-party managed investments generally are not limited with respect to the types of investment strategies that they may employ or the markets or instruments in which they may invest. The Clients and third-party managed investments may hold positions in equity and equity-related securities, as well as debt securities. Capital will be invested in investments that may involve high risk securities, may be illiquid, and may involve highly speculative investments. Furthermore, as part of their respective investment programs, the Clients and third-party managed investments may utilize leverage and borrow or lend securities, purchase securities on margin, and finance positions and lend funds through repurchase and reverse repurchase agreements. Because the Clients and third-party managed investments may make different types of investments, with different risk, return and market correlation characteristics, it is difficult to predict the risk, return and market correlation characteristics of an investment in the Clients.

Depending on conditions and trends in securities markets and the economy generally, the Adviser may pursue other objectives or employ other techniques than those discussed herein that it considers appropriate and in the best interests of the Clients. No guarantee or representation is made that a Client's investment program will be successful.

Lack of Diversification The Clients' portfolios could become significantly concentrated in any one issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the Clients. In addition, it is possible that the Adviser may select investments that are concentrated in a limited number or types of financial instruments. This limited diversity could expose the Clients to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those financial instruments.

Difficulty of Locating Suitable Investments There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Clients to invest all of their capital in opportunities that satisfy the Clients' investment objectives or that such investment opportunities will lead to completed investments by the Clients. The availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing political or regulatory climate.

Expedited Transactions Investment analyses and decisions by the Adviser may be undertaken on an expedited basis in order for the Clients to take advantage of available investment opportunities. In such cases, the information available to the Adviser at the time of an investment decision may be limited, and the Adviser may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. Further, the Adviser may conduct their due diligence activities over a very brief period.

Competition The identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The Clients and third-party managed investments will compete for the acquisition of investments with many other investors, some of which will have greater resources than the Clients and third-party managed investments. Such competitors may include other private investment funds as well as individuals, financial institutions and other institutional investors. Further, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investments by the Clients and third-party managed investments can be made.

Uncertainty The Clients may make particularly risky investments in third-party managed investments and direct investments that also may offer the potential for correspondingly high returns. As a result, an investment in a third-party managed investment may lose all or substantially all of its investment in any particular instance, which would have an adverse effect on the Clients.

Illiquid Investments The Clients and third-party managed investments will make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, of such investments tend to be volatile and the Clients and third-party managed investments may not be able to sell such investments when they desire, or, upon sale, to realize what they perceive to be their fair value. Moreover, the Clients and third-party managed investments will invest in securities that are not listed on a stock exchange or traded on an over-the-counter market. As a result of the absence of a public trading market, such securities may be less liquid than publicly traded securities and the Clients and third-party managed investments may encounter substantial delays in selling such securities. Although non-publicly traded securities may be resold in privately negotiated

transactions, the prices realized from these sales could be less than the prices originally paid or previously marked by the Clients or third-party managed investments.

Liquidity; Availability of Credit The Clients and third-party managed investments may use investment strategies that depend on the availability of credit in order to permit the financing of its portfolio. The Clients' or third-party managed investments' liquidity could be impaired by an inability to access debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. Any or all of these situations could arise due to circumstances that the Clients or third-party managed investments may be unable to control, such as a general market disruption or an operational problem that affects third parties. Liquidity risk will be increased if the Clients or third-party managed investments are required to liquidate positions to meet margin requirements, margin calls or other funding requirements. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Clients or third-party managed investments may be unable to sell the financial instruments or prevent losses relating to the financial instruments. In times of market stress, the liquidation of securities that are generally regarded as highly liquid nonetheless may result in the Clients or third-party managed investments incurring significant losses. Furthermore, if the Clients incur substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. The ability of counterparties to take actions following declines in investment values which result in the forced liquidation of highly leveraged positions in declining markets, including as a result of the Clients or third-party managed investments having insufficient liquidity to meet margin calls, could subject it to substantial losses. The Adviser may fail to adequately predict the liquidity that the Clients or third-party managed investments require to address counterparty requirements relating to falling values of investments being financed by the counterparties, which could result not only in losses related to the investments, but also in losses related to the need to liquidate unrelated investments in order to meet the Clients' or third-party managed investments' obligations. The Clients' or third-party managed investments' losses may be magnified in the event that significant capital is invested in highly leveraged investments or investment strategies. Such losses would result in a decline in assets, may lead to requests from investors in the Clients or third-party managed investments to redeem remaining assets, and may in certain circumstances damage the Clients' or third-party managed investments' reputation.

Lack of Control The Clients generally will be minority investors and will not have an active role in the management of investments. As a result, the Adviser's control over investments may be limited, and access to information concerning the investments and related matters may not be comprehensive and timely. As a result, the Adviser may not be in a position to protect the value of the Clients' investments.

Valuation The Adviser is responsible for valuing the assets of the Clients and does so in accordance with its valuation policy as in effect from time to time. Such valuation will affect reported Client performance. Although the Adviser performs its valuation of the assets of the Clients pursuant to certain written guidelines, which generally involve current market price information, there will be investments as to which current or reliable market price information is unavailable, in which event the Adviser has discretion in determining the appropriate means of valuation. In addition, the Adviser will generally rely on third parties for information related to the valuation of the Clients' assets, including, for the avoidance of doubt, valuations from third parties for the third-party managed investments. Illiquid investments, by their nature, will generally be long-term investments that are not intended to be liquidated on a short-term basis. Accordingly, valuations will not necessarily represent the amount that might be realized from sales or other dispositions of investments. There can be no assurance that the value assigned to an investment at a certain time will equal the value that the Clients could realize

in an arm's length transaction between a willing buyer and seller. There may be instances where the Adviser determines that there is insufficient information available to make an informed and reasonable assessment of fair market value. Such investments include but are not limited to investments in privately held companies with little financial operating history (such as early stage venture investments) and/or where a Client receives no or limited financial reporting information. In such circumstances, the Adviser may determine it is appropriate to use "cost" as the reported fair market value until such time as additional information is available to enable a fair market value determination.

**Lender Liability Claims** There may be circumstances where a debt investment of the Clients or third-party managed investments could be subordinated to claims of other creditors or the Clients or third-party managed investments could be subject to lender liability claims. If a company that the Clients or third-party managed investments are invested in were to go bankrupt, even though the Clients or third-party managed investments may have structured its investment as senior debt, depending on the facts and circumstances, a bankruptcy court might re-characterize such debt holding as an equity investment and subordinate or disallow all of a portion of the Clients' or third-party managed investments' senior debt claim to that of other creditors.

**Direct Lending** The Clients' and third-party managed investments' investment activities may include loan origination. To the extent the Clients or third-party managed investments originate loans based partly upon the adequacy of the borrower's collateral, an incorrect valuation of such collateral may result in unforeseen losses. Despite performing due diligence on the collateral, including, where appropriate, by engaging third-party independent valuers to estimate the value of the collateral pledged by the borrower, the inherent uncertainty of valuation of collateral may result in values that differ significantly from the values that can ultimately be obtained for such collateral. In addition, even if collateral is initially valued correctly, changes in market conditions, regulations or other circumstances or changes directly related to such collateral may materially adversely affect the value thereof. To the extent the Clients or third-party managed investments suffer such losses with respect to any investment, the third-party managed investments' and the Clients' return may be negatively affected.

Of paramount concern in investing in loans and other debt instruments is the possibility of fraud, material misrepresentation or omission on the part of the borrower or the lack of adequate documentation or any documentation regarding such loans and debt obligations. Such occurrences may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Clients to perfect or effectuate a lien on the collateral securing the loan. As a result, the Clients and the Adviser could be subject to increased levels of oversight and regulation. This could increase the Clients' costs and limit their operations.

**Secured Loans** Certain loans held by the Clients or third-party managed investments will be secured. While secured loans originated or purchased by the Clients or third-party managed investments will generally be structured to be over-collateralized, the third-party managed investments and the Clients may be exposed to losses resulting from default and foreclosure.

**Assignments and Participation** The Clients and the third-party managed investments may acquire interests in loans either directly (by way of assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the loan agreement with respect to the loan; however, its rights can be more restricted than those of the assigning institution. Participations in a portion of a loan typically result in a contractual relationship only with the institution participating out the interest

and not with the obligor. The Clients and the third-party managed investments would, in such a case, have the right to receive payments of principal and interest to which it is entitled only from the institution selling the participation, and not directly from the obligor, and only upon receipt by such institution of such payments from the obligor. As the owner of a participation, the Clients or the third-party managed investment generally will have no right to enforce compliance by the obligor with the terms of the loan agreement or to vote on amendments to the loan agreement, nor any rights of set-off against the obligor, and the Clients or the third-party managed investment may not directly benefit from collateral supporting the loan in which it has purchased the participation. In addition, in the event of the insolvency of the selling institution under the laws of the United States and the states thereof, the Clients or the third-party managed investments may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the applicable loan.

Derivative Instruments The Clients and the third-party managed investments use various derivative instruments, including options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

Tracking – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Clients from achieving the intended hedging effect or expose the Clients or the third-party managed investments to the risk of loss.

Liquidity – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Clients or the third-party managed investments may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative positions limits on exchanges on which the Clients or the third-party managed investments may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting the Clients or the third-party managed investments to the potential of greater losses.

Effective Leverage – Trading in derivative instruments can result in large amounts of effective leverage. Thus, trading in derivative instruments may magnify the gains and losses experienced by the Clients or the third-party managed investments, and could cause the Clients' or the third-party managed investments' net asset value to be subject to wider fluctuations than would be the case if the Clients or the third-party managed investments did not use the effective leverage feature in derivative instruments.

Over-the-Counter (“OTC”) Trading – Derivative instruments that may be purchased or sold by the Clients may include instruments not traded on an exchange. OTC derivatives, unlike exchanged-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Clients can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment

may not be available in connection with such transactions. Recent legislation in the United States would require certain instruments currently traded over-the-counter to be traded on an exchange and cleared through a central clearing house.

General Risks of Real Estate Ownership The investments of the Clients and the third-party managed investments may be subject to the risks generally incident to the ownership of real property, including uncertainty of cash flow to meet fixed and other obligations; adverse changes in local market conditions, population trends, neighborhood values, eminent domain, community conditions, general economic conditions, local employment conditions, interest rates, and real estate tax rates; changes in fiscal policies; competition from other properties; and uninsured losses and other risks that are beyond the control of the Clients or the third-party managed investments. There can be no assurance of profitable operations because the cost of owning the Clients' or the third-party managed investments' investments may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as property taxes, utility costs, maintenance costs, and insurance, tend to increase over time and are largely beyond the control of the owner.

Risks Associated with Real Property Acquisitions The Clients and third-party managed investments may acquire real property. These acquisitions are subject to many risks. The Clients and third-party managed investments may acquire properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition, or compliance with zoning laws, building codes, or other legal requirements. In each case, the Clients' and a third-party managed investment's acquisition of a real estate property may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against the Clients or a third-party managed investments relating to those properties, or if any adverse condition existed with respect to the properties, the Clients and third-party managed investments might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of the Clients and third-party managed investments.

Non-U.S. Investments The Clients and third-party managed investments may purchase securities of non-U.S. issuers. Investments outside of the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks including, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility, higher transaction costs (including the cost of converting currency) and market manipulation. In addition, less information may be available regarding non-U.S. issuers and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Further, non-U.S. securities markets may not be as liquid as U.S. markets. There is generally less government supervision and regulation of exchanges, brokers and issuers in non-U.S. markets than in the U.S. The Clients and third-party managed investments might have greater difficulty taking appropriate or necessary legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures that, in some markets, have failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Clients' and third-party managed investments' performance. Greater tax risks and complexities also may be associated with these investments.

Currency Risks Although investments are expected to be typically denominated in U.S. Dollars, the Clients and third-party managed investments may invest in securities and may receive a portion of their

income and gains in currencies other than the U.S. Dollar. A reduction in the value of such other currencies relative to the U.S. Dollar prior to conversion into U.S. Dollars would adversely affect the net asset value of the Clients. To the extent unhedged, the value of the Clients' net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Clients' and third-party managed investments' investments in the various local markets and currencies. Futures contracts, forward currency contracts and options, as well as spot market trading, may be utilized by the Clients and third-party managed investments to hedge against currency fluctuations, but the Clients and third-party managed investments are not required to hedge and there can be no assurance that such hedging transactions, even if undertaken, will be effective. Some currency risks are difficult or impossible to hedge, including, for example, the impact of exchange rate fluctuations on third-party managed investments' businesses and macroeconomics. In many emerging countries, the markets for certain of these hedging instruments are not highly developed or do not exist. Further, the Clients may, but are not required to, seek to hedge such non-U.S. currency exposure but the Clients and third-party managed investments will necessarily be subject to currency exchange risk.

Hedging Transactions The Clients and third-party managed investments may invest in securities and utilize financial instruments, including but not limited to, forward contracts, currency options and interest rate swaps, caps and floors both for investment purposes and hedging purposes in order to: (i) protect against possible changes in the market value of portfolio positions resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the unrealized gains in the value of portfolio positions, (iii) facilitate the sale of any such investments, (iv) establish a position as a temporary substitute for other securities, (v) enhance or preserve returns, spreads or gains on any investment in a portfolio, (vi) hedge the interest rate or currency exchange rate on any liabilities or assets, (vii) protect against any increase in the price of any securities which purchase is anticipated at a later date or (viii) for any other reason that the Clients and third-party managed investments deem appropriate. The Clients and third-party managed investments also may utilize such financial instruments for these types of hedging purposes.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Clients and third-party managed investments to hedge against an exchange rate, interest rate or security price fluctuation that is so generally anticipated that the Clients and third-party managed investments are not able to enter into a hedging transaction at a price sufficient to protect their assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

The Clients and third-party managed investments are not required to attempt to hedge portfolio positions and, for various reasons, may determine not to do so. Moreover, the Clients and third-party managed investments are not obligated to hedge against fluctuations in the value of their portfolio positions as a result of changes in market interest rates or any other developments. Furthermore, the Clients and third-party managed investments may not anticipate a particular risk so as to hedge against it. While the Clients and third-party managed investments may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients and third-party managed investments than if the Clients and third-party managed investments had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. For a variety of reasons, the Clients and third-party managed investments may not seek to

establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Clients and third-party managed investments from achieving the intended hedge or expose the Clients and third-party managed investments to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Clients' and third-party managed investments' portfolio holdings. Moreover, it should be noted that a portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties), "liquidity risk" and "widening" risk.

Co-Investments with Third Parties The Clients and the third-party managed investments may co-invest with partners and/or third parties through partnerships, joint ventures or other co-investment entities. Such investments may involve additional risks, 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 the Clients, may have financial difficulties resulting in a negative impact on such investment or may be in a position to take action in a manner contrary to the investment objectives of the Clients and the third-party managed investments. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the return to participants in the investments. In addition, the Clients and the third-party managed investments may in certain circumstances be liable for actions of their third-party co-venturer or partner.

Leverage The Clients and third-party managed investments may lever their respective investment positions by borrowing or investing in entities that use leverage. Such leverage increases both the potential profit and the potential loss of the Clients' and third-party managed investments' net assets. The cumulative effect of the use of leverage by the Clients and third-party managed investments in a market that moves adversely to its investments could result in a substantial loss to the Clients and third-party managed investments that would be greater than if the Clients and third-party managed investments were not leveraged. Failure to satisfy the terms of debt incurred by the Clients and third-party managed investments can have negative consequences, including forced liquidation of other investments of the Clients and third-party managed investments in order to satisfy the borrower's obligations. Leverage may also take the form of trading on margin, which will result in interest charges that could be substantial. Futures and forward trading permit a high degree of leverage and, accordingly, a relatively small price movement in a futures or forward contract may result in the immediate and substantial decline in value of an investment. The use of leverage will have the effect of increasing the volatility of the Clients' and third-party managed investments' investments.

Credit Facility The Clients may make borrowings in anticipation of calling capital from investors and, in connection with such borrowings, a Client may enter into a credit facility with a bank or syndicate of banks. The facility may be secured by the unfunded commitments of all investors and/or the obligations of the investors to make capital contributions as well as assets of the Client. In order to establish such a facility, the Adviser or its affiliates may assign to the lenders certain of the Client's rights to draw down capital from investors. To the extent permitted by applicable law, investors may also be obligated to make capital contributions at the demand of the lenders, waive rights or defenses with respect to their obligation to make capital contributions, provide financial information or execute other documents necessary in respect of such credit facility. The Clients may bear expenses in connection with a credit line, including an upfront fee and interest expense.

Lower Credit Quality Securities There are no restrictions on the credit quality of the investments of the Clients or the third-party managed investments. Securities in which the Clients and third-party managed investments may invest may be deemed by rating companies to face substantial vulnerability to default in payment of interest and/or principal. Other securities may be unrated. Lower-rated and unrated securities in which the Clients and third-party managed investments may invest can have substantial uncertainties or major risk exposures to adverse market conditions, and are often considered to be speculative. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater price volatility and may involve less liquidity and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher rated securities. Declining real estate values, in particular, will increase the risk of loss upon default, and may lead to a downgrading of the securities by rating agencies. The value of such securities may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies. In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by the Adviser as initial criteria for the selection of portfolio securities. Such ratings, however, are subjective; they are not absolute standards of quality and may not capture the market value risk of the securities accurately. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect events that have occurred.

Synthetic Participation in Investments The Clients and third-party managed investments may utilize customized derivative instruments, including swaps, options, forwards, notional principal contracts or other financial instruments, to replicate, modify or replace the economic attributes associated with an investment. This may subject the Clients and third-party managed investments to certain additional risks in connection with an investment. If the Clients and third-party managed investments enter into derivative instruments whereby they agree to receive the return of a security or financial instrument or a basket of securities or financial instruments, they may not have the ability to increase or decrease their exposure. In addition, such customized derivative instruments likely will be highly illiquid. Furthermore, derivative instruments typically contain provisions giving the counterparty the right to terminate the contract upon the occurrence of certain events, which could adversely affect the Clients' and third-party managed investments' returns. If the Clients and third-party managed investments seek to participate in an investment through the use of such synthetic derivative instruments, the Clients and third-party managed investments may not acquire any voting interests or other shareholder rights that would otherwise be acquired in connection with an investment, and will pay the counterparty to any such customized derivative instrument structuring fees and ongoing transaction fees, which will reduce the investment performance of the Clients and third-party managed investments. Finally, certain tax aspects of such customized derivative instruments are uncertain and, if the Clients' and third-party managed investments' tax treatment of such instruments is challenged successfully by tax or other regulatory authorities in the applicable country or jurisdiction, a Client's return could be adversely affected. The Clients have not obtained any opinion or other advice with respect to any tax consequences in the United States or any other jurisdiction relating to derivative instruments.

Emerging and Frontier Market Investments The Clients and third-party managed investments may invest in securities, including debt securities, of companies based in emerging or frontier markets or issued by the governments of such countries. Investing in securities of emerging or frontier countries and companies involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic

considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict the Clients' and third-party managed investments' investment opportunities and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. Further, emerging and frontier market debt securities are unrated or rated in lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for emerging and frontier market debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities. The sovereign debt obligations in which the Clients and third-party managed investments may invest in many cases pertain to countries that are among the world's largest debtors to commercial banks, non-U.S. governments, international financial organizations and other financial institutions. In recent years, the governments of some of these countries have encountered difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness.

Counterparty Risk The Clients and the third-party managed investments are exposed to the credit and settlement risk of the counterparties, brokers, dealers and exchanges through which they deal, whether they engage in exchange-traded or off-exchange (over-the-counter) transactions. In the case of over-the-counter or interbank-traded instruments such as swaps, derivatives, or other synthetic instruments, these risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees and other customer protection rules (but which nonetheless create credit exposure to the clearing broker in the event of their failure to perform on these obligations). Transactions entered into directly between two counterparties generally do not benefit from the protections of exchange-traded markets, which in turn may subject the Clients or the third-party managed investments to the risk that a counterparty will not settle in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a solvency or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent full settlement. Furthermore, upon the bankruptcy, insolvency or liquidation of any counterparty, the Clients may be deemed to be a general unsecured creditor of such counterparty and could suffer a total loss with respect to any positions and/or transactions with such counterparty. The Clients' and the third-party managed investments' ability to transact business with counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of regulated market to facilitate settlement, may increase the Clients' and the third-party managed investments' potential for losses. The Clients and the third-party managed investments are subject to the risk of failure of any of the exchanges on which their positions trade or

of their clearinghouses. Because securities owned by the Clients or the third-party managed investments that are held by broker-dealers are generally not held in the Clients' or the third-party managed investments' name, the bankruptcy of any such broker-dealer could have a greater adverse impact on the Clients or the third-party managed investments than if such securities were registered in the Clients' or the third-party managed investments' name.

**Litigation** In the ordinary course of their business, the Adviser, the Clients, or the third-party managed investments may be subject to litigation, or the threat of litigation, from time to time. Any litigation may consume substantial amounts of the Adviser's time and attention, and the time and devotion of resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Clients and the third-party managed investments and would reduce net assets or could require the Clients' investors to return to the Clients or the third-party managed investments distributed capital and earnings.

**New Issue Investments** From time to time, the Fund may, to the extent permitted by the rules of the U.S. Financial Industry Regulatory Authority, Inc. (the "FINRA Rules"), purchase equity securities that are part of an initial public offering (such equity securities, "New Issues"). Under the FINRA Rules, unless certain exceptions apply, broker-dealers may not sell such securities to a private investment fund, such as the Fund, whose beneficial owners include Restricted Persons (as defined in the FINRA Rules), including persons employed by or associated with a broker-dealer, portfolio managers of certain registered and unregistered investment advisory firms, or persons who are affiliated with certain companies that are current, former or prospective investment banking clients of the broker-dealer. The Adviser expects that certain limited partners of the Fund, including potentially certain affiliates of the General Partner, will qualify as Restricted Persons. To allow the Fund to participate in New Issues, the General Partner may exclude certain limited partners of the Fund that it determines, in its sole discretion, are Restricted Persons from participating in the relevant portfolio investment or the portion thereof consisting of the New Issues. For administrative or other purposes, the General Partner may elect in its sole discretion to treat any limited partner that is restricted in any way as a Restricted Person as entirely restricted from participating in New Issues. As with any investment where certain partners are excluded, excluded limited partners will not participate in the costs (including certain expenses) and any potential losses (or potential profits) associated with the investment from which they are excluded, which would be borne by (or accrue to the benefit of) non-excluded partners. The extent of the Fund's participation in any New Issue will be determined, in part, on the basis of limited partners' responses to applicable portions of the Fund's subscription booklet. Certain limited partners may elect to be treated as Restricted Persons even though not technically required by the FINRA Rules, and the General Partner intends to treat such limited partners as Restricted Persons. The failure by any limited partner who qualifies as a Restricted Person to properly disclose that fact in its subscription booklet could result in the Fund participating in a New Issue in violation of the FINRA Rules, which could result in adverse consequences for the Fund and its limited partners.

**Changes in Credit Markets** The Clients' investments benefit from favorable borrowing conditions in the debt markets, which historically have been cyclical. Although the Adviser believes that there is availability of financing for leveraged transactions, a decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) would impair, potentially materially, the Clients' ability to consummate these transactions and to make similar leveraged distributions.

U.S. Government Securities The Clients and third-party managed investments may invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. The Clients and third-party managed investments may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Business, Legal and Regulatory Risk The Clients and third-party managed investments may invest in securities traded in various markets throughout the world, some of which are highly controlled by government authorities. Particularly in developing countries, laws governing transactions in securities, securities indices and other contractual relationships are new and largely untested. As a result, these investments may entail unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs and lack of enforcement of legal regulations or judgments.

### **Risks Associated with Third-Party Managed Investments**

Portfolio Valuation The Clients' interests in third-party managed investments will generally be valued in accordance with GAAP or other applicable accounting standards. These valuations may be provided by the general partners or investment managers of third-party managed investments to the Clients based on interim unaudited financial statements. The Adviser has limited ability to assess the accuracy of the valuations received from the general partners or investment managers of third-party managed investments. Furthermore, the net asset values received by the Clients from such general partners or investment managers typically are estimates only, subject to revision through the end of each third-party managed investment's annual audit, and no net asset value figure of the Clients can be considered final until the Clients' annual audit is completed.

Limited Transparency The Clients' business models are premised on the ability to obtain an appropriate level of transparency from the general partners or investment managers of third-party managed investments regarding their portfolio positions coupled with the Clients' right to withdraw its capital in a timely manner if, among other reasons, the third-party managed investment experiences poor performance or a failure to attract or maintain a reasonable level of assets, or there is an occurrence of certain "key man" or similar events. Some general partners or investment managers of third-party managed investments may be unwilling to grant these rights for a variety of reasons, including due to confidentiality concerns, or concerns that such rights if not provided to all investors, could cause the general partner or investment manager to breach duties or other obligations owed to other investors in the third-party managed investment. In such event, the Adviser may nevertheless elect to invest with the general partner or investment manager and in such cases, may not have the ability to closely monitor performance or to withdraw on a timely basis.

Dependence on the General Partners or Advisers of Third-Party Managed Investments The Adviser will generally invest the assets of the Clients with the general partners or investment managers of third-

party managed investments. The success of the Clients depends upon the ability of the general partners or investment managers to develop and implement investment strategies that achieve the Clients' investment objectives. For example, a general partner's or investment manager's inability to effectively hedge an investment strategy that it utilizes may cause the assets of the Clients invested with such third-party managed investment to significantly decline in value and could result in substantial losses to the Clients. Moreover, through its investments in third-party managed investments, the Clients may have indirect investments in companies, the valuations of which are sensitive to movements in the overall economy or in those companies' industrial or economic sectors. In addition, the loss of one or more key individuals of such general partner or investment manager could have a material adverse effect on the performance of the third-party managed investments and, in turn, the Clients.

Early Stage Managers Because third-party managed investments may be operated by general partners or investment managers who do not have substantial experience in operating the third-party managed investments and do not have significant track records, Client investments may be subject to more significant risks than would be the case if the Clients invested primarily with more "seasoned" general partners or investment managers with longer track records.

Risk Management Activities The Adviser attempts to measure and monitor risks of the general partners and investment managers of third-party managed investments. The amount and quality of risk due diligence, measurement and monitoring is dependent on access to the portfolios and risk management systems (if any) of such general partners and investment managers. There is no assurance that such general partners and investment managers will give access to this data. When this information is unavailable, estimates of risk will be made which may turn out to be inaccurate. Efforts to measure and reduce risk may not be successful. No amount of diligence can eliminate the possibility that one or more of such general partners and investment managers may engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, misappropriation of assets and unsupportable valuations of portfolio securities. The Clients may rely upon representations made by such general partners and investment managers, accountants, attorneys and other investment professionals. If any such representations are misleading, incomplete, or false, this may result in the selection of general partners and investment managers and third-party managed investments that might otherwise have been eliminated from consideration had more accurate and complete information been made available to the Clients.

Use of Multiple Managers No assurance can be given that the collective performance of the general partners or investment managers of third-party managed investments will result in profitable returns for the Clients as a whole. The good performance achieved by one or more general partners or investment managers may be offset by poor performance experienced by other general partners or investment managers. The general partners or investment managers invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that the general partners or investment managers do, in fact, hold such positions, a Client, considered as a whole, cannot achieve pretax gain or loss despite incurring expenses. Alternatively, two or more general partners or investment managers may employ similar strategies or invest in some of the same assets, resulting in less diversification to the Clients than is desired. In addition, a general partner or investment manager may be compensated based on the performance of its portfolio. Accordingly, a particular general partner or investment manager may receive incentive compensation in respect of its portfolio for a period during which the Clients' overall portfolio did not appreciate.

Compensation Arrangements with Managers General partners or investment managers of third-party managed investments may receive compensation based on the performance of their investments. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative, or held for a longer duration, than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that includes unrealized appreciation of the Clients' assets, it may be greater than if such compensation were based solely on realized gains. In certain circumstances, a third-party managed investment that has received significant withdrawal requests may create a separate liquidating class or a liquidating trust representing assets attributable to redeeming investors. Often, holders of such liquidating classes or trust units pay reduced or no advisory fees or performance fees or allocation. General partners or investment managers of third-party managed investments in such situations could face a potential conflict of interest between managing the assets of the third-party managed investment with a view towards expeditious liquidation for the redeeming investors and maximizing investment benefits for the continuing investors. There can be no assurance that the general partners or investment managers of third-party managed investments will be successful in implementing a liquidation strategy to the full satisfaction of liquidating investors and continuing investors.

Multiple Levels of Expense The Clients and the third-party managed investments have expenses and management costs that are borne by the Clients. As a result, investors in the Clients will be subject to fees and expenses at the Clients level and the third-party managed investment level, and their returns will be net of all such fees and expenses.

Investment Liabilities The investments generally are not "ring-fenced" from one another. Thus, if certain conditions are met, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to an investment may impair other assets of the applicable Client. Thus, it is possible that an investor of the Client may be exposed to the liabilities of a particular investment that exceed its pro rata share thereof.

Non-Disclosure of Other Arrangements One or more general partners or investment managers of third-party managed investments may, without notice to the Clients or their investors, as applicable, create classes of interests from time to time that are different from the class of interests of the third-party managed investments acquired by the Clients or enter into agreements with certain investors in the third-party managed investments granting them, among other things, greater portfolio transparency, fee waivers or reductions, minimum investment amounts, interests having different voting rights or restrictions, additional rights to reports and other information and other more favorable investment terms, including withdrawal rights, than the terms associated with the Clients' investment. Such general partner or investment manager will have no obligation to offer such additional rights, terms or conditions to all of its investors, including the Clients. The Clients will generally seek "most favored nations" protection to enable the Clients to obtain the same rights given to another investor if those rights are more favorable than those originally obtained by the Clients. However, there can be no assurance that the Clients will obtain such protection in all cases.

Conflicts of Interest Involving the Advisers of the Third-Party Managed Investments Certain of the general partners or investment managers of third-party managed investments may engage in other forms of related and unrelated activities in addition to advising a third-party managed investment. They may also make investments in third-party managed investments for their own account. Activities such as these could detract from the time a general partner or investment manager of a third-party managed investment devotes to the affairs of a third-party managed investment. In addition, certain of the general partners or investment managers may engage affiliated entities to furnish services to third-

party managed investments and may themselves provide services. As a result, in such instance the choice of the affiliated entity and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

**Soft Dollars** The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the Clients, the Adviser may use such research or services for other accounts and the Clients will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law. See Item 12: Brokerage Practices.

## **Other Risks**

In addition to the risks described above relating to investments, there are certain risks inherent to entering into an advisory contract with the Adviser.

**Reliance on Investment Professionals** The success of a Client's investment program is dependent on the expertise of the professionals of the Adviser. The loss of professionals on the Adviser's team could have a material adverse effect on the performance of the Fund.

**Provision of Managerial Assistance** The Adviser may obtain rights to participate in or influence the conduct of the management of the portfolio companies to which an investment relates, which could expose the Adviser to claims by such company, its security holders and its creditors. If these liabilities were to occur, it could adversely impact a Client's investment.

**Material, Non-Public Information** By reason of its responsibilities in connection with the Clients' investment activities, and notwithstanding procedural safeguards including, but not limited to, information barriers and restricted securities lists, from time to time, the Adviser may come into possession of confidential or material, non-public information that would limit the ability of a Client to buy and sell certain of its investments. A Client's investment flexibility may be constrained due to the inability of the Adviser to use such information for investment purposes. Moreover, the Adviser may be restricted from initiating transactions in certain securities or liquidating or selling certain investments, due to its acquisition of confidential or material, non-public information, at a time when the Adviser would otherwise take such action.

**Potential Conflicts with Respect to Certain Investments** The Clients have a broad investment mandate, allowing them to invest in third party managed investments across a wide range of asset classes, geographies and strategies, as well as direct investments and passively managed investments. As a result, virtually any investment considered by personnel of the Adviser has the potential to give rise to conflicts of interest. However, the Adviser considers opportunities that fall within a Client's mandate for the Client before considering such opportunities for its own account. To the extent it is determined that a particular opportunity is not appropriate for a Client or a Client has been allocated its full appetite for an investment, the Adviser may choose to allow its personnel to participate in such an opportunity. In addition, a Client's investment activities could give rise to future investment opportunities (e.g., a relationship developed in connection with the making of an investment by the Client) from which the Adviser, its Employees (as defined in Item 11), other Clients, or their respective affiliates, representatives or family members could benefit. Such other opportunities may or may not be suitable

opportunities for the Client. The Adviser may have an incentive to take such future opportunities and/or benefits into consideration when making investment decisions for a Client, but the Adviser will act in accordance with its compliance policies. Similarly, subject to certain limitations, a Client may from time to time invest in investments in which the Adviser, its Employees, other Clients, or their respective affiliates, representatives or family members have pre-existing investments or make future investments. Given the potential benefits to such other parties (including, for example, to achieve higher valuations or proceeds from a Client's investment), the Adviser could be incentivized to cause the Client to make such investments, and such activities can give rise to conflicts of interest. However, the Adviser has a compliance program inclusive of policies to identify such conflicts and to seek to ensure that any investment is made only after determining that it is appropriate for a Client.

Other Business Arrangements with Investors or Third Party Managed Investments Certain investors or the founders, principals, managers, employees or other related persons of such investors or of third party managed investments or direct investments may enter into other business arrangements with Adviser personnel or their respective affiliates, representatives or family members giving rise to conflicts of interest. In addition, the Adviser itself may have the opportunity to consider joint ventures or alternative business arrangements with third parties, including investors or the founders, principals, managers, employees or other related persons of such investors or of third party managed investments or direct investments. To the extent any such business arrangements are considered, the Adviser would consider any such conflicts and would take action to mitigate such conflicts to the extent possible.

Business and Regulatory Risks The financial services industry generally, and the activities of alternative investment vehicles and their managers, in particular, are subject to significant regulation and oversight. As a result, the Adviser and/or its respective affiliates are subject to a number of unusual risks, including changing laws and regulations, developing interpretations of such laws and regulations and increased scrutiny by regulators. Some of this evolution may be directed at the investment fund industry in general or certain segments of the industry, and may result in scrutiny or claims against the Adviser directly for actions taken or not taken by the Adviser or result in ambiguity or conflict among legal or regulatory schemes applicable to their businesses, all of which could adversely affect the investment or trading strategies pursued by Clients or investments or the value of investments.

Information Technology System Failures, Cyber Security Breaches and Identity Theft The Adviser depends on the security, accuracy, reliability, and proper functioning of its information technology systems, including its proprietary software, to effectively manage many aspects of its business. These systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures 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, the Adviser and/or a Client may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's or a Client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's or a Client's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Cybersecurity Risks The Adviser's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication

failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. The Adviser has implemented or will implement various measures to manage risks relating to these types of events. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's and/or the Clients' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data. Such a failure could subject the Adviser and/or the Clients to legal claims and otherwise affect their business and financial performance and the Adviser and/or the Clients may have to make a significant investment to fix or replace these systems. As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of its Clients and personally identifiable information of investors. Similarly, service providers of the Adviser or its Clients may process, store and transmit such information. The Adviser has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Adviser may be susceptible to compromise, leading to a breach of the Adviser's network. The Adviser's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by the Adviser may also be susceptible to compromise. Breach of the Adviser's information systems may cause information relating to the investments and personally identifiable information of investors to be lost or improperly accessed, used or disclosed.

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

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

Misconduct of Employees and of Third-Party Service Providers Misconduct by employees of the Adviser or by third party service providers could cause significant losses to the Clients. Employee misconduct may include binding the Clients to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm,

including limiting the Clients' business prospects or future marketing activities. No assurances can be given that the due diligence performed by the Adviser will identify or prevent any such misconduct.

Execution Risks and Trade Errors In order to seek positive returns in global markets, the Adviser's trading and investment for the Clients may involve multiple instruments, multiple brokers and counterparties and multiple strategies. As a result, the execution of the trading and investment strategies employed by the Adviser for the Clients may often require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. In each case, the Adviser seeks best execution and has trained execution and operational staff devoted to executing, settling and clearing such trades. However, in light of the high volumes, complexity and global diversity involved, some slippage, errors and miscommunications with brokers and counterparties may occur, and could result in losses to the Clients. In such circumstances, the Adviser will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, will seek to recover losses from those parties. In its sole discretion, the Adviser may choose to forgo pursuing claims against brokers and counterparties on behalf of the Clients for any reason, including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, the Adviser's own execution and operational staff may be solely or partly responsible for errors in placing, processing, and settling trades that result in losses to the Clients.

Business Continuity The Adviser's place of business, located in California, is important to the continued business of the Fund. A disaster or a disruption in the infrastructure that supports activities of the Clients, including a disruption involving electronic communications or other services used by the Clients or third parties with whom they conduct business, or directly affecting the Adviser's place of business, may have a material adverse impact on the Clients. Although the Adviser has a business continuity plan, which includes, among other features, replication of certain data to geographically diverse locations and replication of communications links, there can be no assurance that these measures will be sufficient to mitigate the harm that may result from such a disaster or infrastructure disruption. Some types of potential disasters, such as mass influenza or contagion, are not susceptible to minimization through recovery sites or contingency plans and certain disasters may not be foreseeable.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither Juniper Hill nor any of its officers, directors, employees or other management persons have been involved in any legal or disciplinary events in the past ten (10) years that would require disclosure in response to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

The Fund from time to time invests in third-party managed investments whose founders, principals, managers, employees or other related persons are invested in the Fund or another fund or vehicle sponsored, managed or advised by Juniper Hill. Juniper Hill and certain Employees or their respective affiliates, representatives or family members may from time to time enter into business arrangements or transactions unrelated to the Fund (including investment transactions, service on boards, or other similar arrangements) with the founders, principals, managers, employees or other related persons of a third-party managed investment or direct investment. Those situations cause conflicts of interest. However, Juniper Hill has established policies and procedures that seek to ensure that an investment is made only after determining that it is appropriate for the Fund. The fee and carry arrangements at the third-party managed investments are reviewed to determine that they are appropriate and consistent with market standards for similar investments.

Juniper Hill is affiliated with the Fund and the General Partner of the Fund.

As described above, the Originating Family Office is a Client of Juniper Hill. From time to time as requested by Juniper Hill, Juniper Hill consults with the Originating Family Office on certain operational matters (including, but not limited to, employee payroll, information technology, middle- and back-office, human resources and administrative and office management services). Any charges arising from such consultations will be paid by Juniper Hill; provided, that a Client may reimburse Juniper Hill for its pro rata share of such charges to the extent such charges constitute Client expenses under such Client's Governing Documents.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Juniper Hill has adopted a written Code of Ethics (the “Code”). The Code is designed to address and prevent potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Juniper Hill (the “Employees”), each Employee’s spouse, minor children and other family members living in his or her household, as well as each other individual designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by the Adviser (collectively, the “Covered Persons”). Juniper Hill requires its Employees to act in its Clients’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Juniper Hill imposes significant restrictions on personal trading by its Employees, except for certain securities that are exempt from the Code. Juniper Hill endeavors to maintain current and accurate records of all personal securities accounts of its Covered Persons in an effort to monitor any personal trading activity. A copy of Juniper Hill’s Code is available upon request by contacting: Reena Jashnani-Slusarz, Chief Compliance Officer, 650-319-3660 / [rjslusarz@jhcapi.com](mailto:rjslusarz@jhcapi.com).

Certain transactions in which Juniper Hill engages may require, for either business or legal reasons, that no Covered Person trade in the subject securities for specified time periods. Such securities will appear on a list (the “Restricted List”) that will be loaded into compliance software used by Juniper Hill which cross references the Restricted List to the employee trading requests in order to highlight potential conflicts. No Covered Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from the Chief Compliance Officer.

Juniper Hill has agreed with the Originating Family Office to elect to co-invest in certain Fund investments by allocating a portion of certain investment opportunities of the Fund attributable to the Originating Family Office’s indirect share in such investment opportunities to the Adviser, its affiliates or employees or to accounts other than the Fund. Any such allocation would not reduce the allocation of such investment opportunity with respect to any other investor. Juniper Hill, its affiliates or employees may also receive financing from the Originating Family Office to finance a portion of Juniper Hill’s, its affiliates’ or its employees’ capital for such investments. Such arrangements may create conflicts of interest by incentivizing Juniper Hill to seek out investments eligible for such co-investment arrangements. Juniper Hill has established policies and procedures that seek to ensure that such co-investments by Juniper Hill, its affiliates or employees is made only after determining that it is appropriate for the Fund.

## Item 12: Brokerage Practices

### General

When a Client's investment objectives or strategy require the services of a broker-dealer, Juniper Hill's main rationale for selecting a broker-dealer to execute a transaction is based primarily upon the broker-dealer's ability to deliver the best qualitative execution for such Client, as well as such Client's existing relationship with such broker-dealer, if any. The factors that Juniper Hill considers in making this determination include, but are not limited to, the following:

- depth and breadth of the market accessible to customers of the broker-dealer,
- execution capabilities,
- ability to structure trades in a thoughtful and economical manner,
- financial and operational stability,
- effective operational risk management, and
- other factors that may impact the price or execution quality of a trade as Juniper Hill deems appropriate.

Juniper Hill generally is not required to solicit competitive bids or seek the lowest available commission or transaction cost. The commissions or transaction costs (including spreads) charged by any broker may be greater than the amount another firm might charge if Juniper Hill determined in good faith that the amount of such commission is reasonable in relation to the value of the brokerage services. Generally, Juniper Hill's choice of broker-dealer will depend on the security or instrument being traded. For exchange-traded funds and mutual funds (for which third party brokers are used), Juniper Hill will generally use a broker that can execute the trade at the national best bid and offer on an agency basis. The broker's commissions must be reasonable in comparison to those generally available in the market place for similar trades. For in-kind distributions from private equity funds, Juniper Hill will generally use the broker-dealer at which the fund distributes the shares. This is done to avoid time delays, costs and potential errors that may result from transferring the shares to another broker-dealer. Trades of other individual securities will generally be executed through a broker that can provide the best qualitative execution based on the factors enumerated above. Derivative transactions, including exchange-traded derivatives and over-the-counter derivatives, are more complicated than other securities trades and the qualitative factors noted above, as well as the value of existing relationships will be primary consideration factors.

Clients advised by Juniper Hill (excluding the Fund) may select a broker-dealer for any given transaction in their discretion (unless any such Client otherwise requests the assistance of Juniper Hill in selecting a broker-dealer). However, in those instances in which the Client itself has chosen to select the broker-dealer to be used, Juniper Hill is not able to ensure that the Client obtained best execution with respect to such trades.

Juniper Hill does not currently have any "soft dollar" arrangements with a broker-dealer. However, Juniper Hill may enter into such arrangements in the future and receive certain research products and services (in addition to brokerage services) from a broker-dealer. In every instance the receipt of such services will be in accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

Due to the focus on investing in pooled funds, Juniper Hill does not typically aggregate the purchase or sale of securities for various Client accounts. However, if the opportunity arises, Juniper Hill may aggregate sale and purchase orders of securities held by a Client with similar orders being made simultaneously for another Client if, in its judgment, such aggregation is reasonably likely to result in an overall economic benefit to all such Client accounts, in the aggregate, based on an evaluation that such Client accounts will benefit from relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors.

#### Execution Risk – Trade Errors

As a general principle, Juniper Hill seeks to avoid trade errors, however trade errors may occur and result in losses. The Clients bear any loss resulting from trade errors that are not the result of the willful misconduct, bad faith or gross negligence of the Adviser, or the willful breach of the terms of the Governing Documents by the Adviser that has a material adverse effect on the Clients. To the extent that an error occurs, it is corrected as soon as possible and the reason for the error is investigated and evaluated in order to prevent the error from occurring again. To the extent an error is caused by a counterparty, such as a broker-dealer, Juniper Hill will attempt to recover any loss associated with such error from such counterparty. In the event an error is deemed to be the result of Juniper Hill's willful misconduct, bad faith or gross negligence, or Juniper Hill's willful breach of the terms of the Governing Documents that has a material adverse effect on the Clients, Juniper Hill will bear any resulting losses.

### **Item 13: Review of Accounts**

The Adviser performs various daily, weekly, monthly, quarterly and periodic reviews of certain Client portfolios. Such reviews are conducted in the ordinary course by the members of the Adviser's management team, portfolio managers and analysts, and accounting and compliance personnel.

A review of a Client account may also be triggered by any unusual activity or special circumstances.

## **Item 14: Client Referrals and Other Compensation**

Juniper Hill does not have any placement or “finders” arrangements for referrals of Clients.

However, Juniper Hill has entered into placement or “finders” arrangements for soliciting investors into the Fund. The Fund discloses such arrangements in the relevant Governing Documents. In addition, Juniper Hill will seek to comply with Rule 206(4)-1 of the Advisers Act when it provides compensation to any third party for any testimonial or endorsement.

Fees for solicitation services for investors in the Fund will be paid by Juniper Hill. Third-party solicitors in the United States will be registered as broker-dealers with the SEC, as appropriate, and third-party solicitors outside of the United States will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

Juniper Hill may in the future retain individuals to serve as senior advisors. These individuals may be compensated differently than Juniper Hill employees based on individual agreements with such senior advisors.

## **Item 15: Custody**

Due to its access to certain Clients' funds and authority to deduct fees and other expenses from certain Client accounts, as well as services by its affiliate as general partners of the Fund, Juniper Hill is deemed to have custody of certain Clients' funds pursuant to Rule 206(4)-2 of the Advisers Act and related guidance.

Where Juniper Hill is deemed to have custody of Client assets, it will maintain such assets in a custodial accounts with a "qualified custodian" pursuant to Rule 206(4)-2 under the Advisers Act.

The Fund's investors receive GAAP audited financial statements after the conclusion of the Fund's fiscal year, including audited schedules of investments, balance sheets, income statements and cash flow statements. As part of the audit process, the auditors customarily confirm the Fund's positions with the custodians.

Juniper Hill also may have custody over certain Client accounts if given authority to move assets out of such accounts. In those cases, Juniper Hill will follow the requirements of Rule 206(4)-2(a) of the Advisers Act, including obtaining independent verification of the assets in the accounts and maintaining the assets at a qualified custodian that sends statements directly to such Clients at least quarterly. In those situations, such Clients will receive account statements directly from the broker-dealer or bank acting as custodian, and such Clients should carefully review those statements. Such Clients should compare the statements they receive from the custodians to all statements, reports and information they receive from Juniper Hill.

## **Item 16: Investment Discretion**

Juniper Hill has been granted discretionary authority to manage the securities accounts of the Clients pursuant to investment management agreements entered into with the Clients. With respect to certain Client accounts, Juniper Hill has sole discretion to determine, subject to such Clients' investment objectives, guidelines and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries to use in effecting transactions, and the commission rates or mark-ups/mark-downs to be paid for such transactions.

## **Item 17: Voting Client Securities**

In accordance with Rule 206(4)-6 of the Advisers Act, Juniper Hill has adopted and implemented written policies and procedures governing the voting of Client securities to the extent Juniper Hill has such voting authority with respect to Client securities. All proxies that Juniper Hill receives will be treated in accordance with these policies and procedures.

The proxy voting policy provides, among other things, that in general, if there is a conflict of interest or possible conflict of interest between the applicable Client, on the one hand, and Juniper Hill, on the other, the proxy will be voted in the best interest of the applicable Client. If Juniper Hill determines that any such conflict of interest exists or may be perceived to exist when voting a proxy, Juniper Hill may, at its own discretion, resolve such conflict by: (i) delegating the voting decision for such proxy proposal to an independent third party; (ii) delegating the voting decision to an independent committee of partners, members, directors or other representatives of the Clients, as applicable; or (iii) obtaining approval of the decision from Juniper Hill's Chief Compliance Officer. In general, Juniper Hill's proxy voting policy is to vote such proxies in the best interests of its Clients. Certain Clients may choose to vote their own proxies.

There may be circumstances in which refraining from voting a proxy is in a Client's best interest including, without limitation, when the securities have been lent by the custodian.

Clients may obtain a copy of Juniper Hill's Proxy Voting Policies and Procedures and information on how securities have been voted upon by submitting a written request directed to Reena Jashnani-Slusarz, Chief Compliance Officer, 650-319-3660 / [rjslusarz@jhcap.com](mailto:rjslusarz@jhcap.com).

## **Item 18: Financial Information**

Juniper Hill is not required to provide a balance sheet as it (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to Clients; and (iii) has not been subject to any bankruptcy proceeding during the past ten (10) years.