



# **Point72 Asset Management, L.P.**

**Part 2A of Form ADV: Firm Brochure**  
**March 29, 2019**

**Tel: (203) 890-2000**  
**72 Cummings Point Road**  
**Stamford, CT 06902**

This brochure provides information about the qualifications and business practices of Point72 Asset Management, L.P. and certain of its affiliates. If you have any questions about the contents of this brochure, please contact us at (203) 890-2000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additionally, registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Point72 Asset Management, L.P. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

This Brochure dated March 29, 2019 amends our Brochure that was filed on March 31, 2018.

Since March 31, 2018, we have amended the Brochure to reflect certain changes, including (i) an update to our regulatory assets under management and a new office location as reported in Item 4, (ii) updates to our investment strategies and risk factors in Item 8, (iii) changes to the names of certain relying advisers in Item 10, (iv) updates to disclosure about principal and cross transactions in Item 11, and (v) updates to disclosure about our prime brokerage arrangements in Item 12.

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#### Item 4 Advisory Business

On January 1, 2018, Point72 Asset Management, L.P. (“**Point72 Asset Management**”), formerly Stamford Harbor Capital, L.P., assumed investment management authority over a number of investment funds and other investment vehicles that were previously managed by a family office that was not required to register as an investment adviser with the SEC. Point72 Asset Management and/or affiliated investment managers (each, a “**Relying Adviser**,” and collectively with Point72 Asset Management, “**Point72**”) manage the assets and investments of a number of investment funds and other investment vehicles (the “**Point72 Funds**”). Unless specifically noted otherwise, the responses to this Form ADV Part 2A combine information about Point72 Asset Management and the Relying Advisers.

Point72 Asset Management is a Delaware limited partnership, of which Steven A. Cohen owns more than 25% through intermediate entities. Point72 is a global asset management firm with offices in the United States and affiliated companies in Europe, Asia, and Australia. Point72 is a research-driven investment management firm built around a core position in discretionary long/short equities, as well as systematic, global macro and other strategies.

The Point72 Funds include U.S. and non-U.S. investment limited partnerships, companies, limited liability companies and other vehicles that are not registered or required to be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The Point72 Funds generally invest through a modified “master-feeder” structure in which a Point72 Fund serving as a “feeder fund” pursues its investment objective by investing its assets directly or indirectly through various other Point72 Funds serving as “master funds” (the “**Subsidiary Funds**”). The securities of the Point72 Funds will not be registered or required to be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and will be privately placed to qualified investors in the United States and elsewhere.

The terms upon which Point72 serves as investment manager of the Point72 Funds are set out in separate investment management agreements, limited partnership agreements, private placement memoranda and/or the governing documents for each Point72 Fund (collectively, the “**Governing Documents**”). Terms may be changed over time by Point72 or a Point72 Fund’s general partner or managing member, as applicable (a “**General Partner**”) or board of directors or managers, as applicable (a “**Board**”), as the case may be. Point72 provides similar services to all Point72 Funds. The terms of the Governing Documents will vary from Point72 Fund to Point72 Fund. An investment management agreement generally will remain in effect for an initial one-year term and automatically will be extended for successive one-year terms thereafter. An investment management agreement generally may be terminated by any party to the agreement upon not less than 90 calendar days’ written notice before the end of any fiscal year.

As of December 31, 2018, Point72 managed approximately \$75,147,500,000 of regulatory assets under management, which amount is based on unaudited information. All of these assets are managed on a discretionary basis.

#### Item 5 Fees and Compensation

Point72 will receive, either directly or indirectly, advisory fees and performance-based compensation, and will be reimbursed for its and its affiliates’ expenses that are related to the investment services that Point72 provides to the Point72 Funds (“**Pass-Through Expenses**”). Such fees, compensation, and expenses vary among the Point72 Funds, and Point72 may waive, rebate, reduce or calculate differently any such amounts in respect of a Point72 Fund or an investor in a Point72 Fund or may increase or decrease the rate at which such fees and compensation are calculated. In particular, Point72 will generally receive reduced compensation, or no compensation, in respect of classes of Point72 Funds in which only Point72 officers, employees and/or related persons invest.

Point72 does not currently have a general fee schedule, and specific details of the compensation payable to Point72 in respect of a Point72 Fund and its method of calculation are set out in the Governing Documents of the relevant Point72 Fund. Such compensation, once the relevant Point72 Fund has been established and commenced operations, is generally not negotiable although Point72 may, from time to time, enter into side letter agreements or other arrangements with specific investors in the Point72 Funds whereby such investors receive rebates or reductions of advisory fees or other compensation otherwise payable with respect to their investments in a Point72

Fund. Certain officers, employees, former employees, and friends and family of Point72 and its affiliates may receive rebates or reductions of fees with respect to their investments in a Point72 Fund or certain components of the fees they are charged may be higher or lower than for other investors.

Typically, Point72 charges each Point72 Fund a monthly asset-based advisory fee (an “**Advisory Fee**”) at a rate of 2.85% (per annum) of the net asset value of such Point72 Fund, although the rate of the Advisory Fee may be higher or lower for a Point72 Fund.

Point72 also generally receives, either directly or indirectly, a performance-based incentive fee (“**Performance Compensation**”), determined with respect to each investor in each Point72 Fund. The Performance Compensation borne by an investor in a Point72 Fund will generally be calculated on net profits (less the Advisory Fee and Pass-Through Expenses) based on a sliding rate of 10% to 30% applied in a linear manner based upon the annualized net rate of return of such investor, subject to a loss carryforward.

Except as otherwise set forth herein, each Point72 Fund will bear its share of Point72’s Pass-Through Expenses, including costs and expenses related to (i) investment teams managing portfolios in which the Point72 Fund participates, (ii) trading-related research, (iii) internal research and (iv) talent acquisition, recruitment and development.

Point72 and its officers, employees and agents are permitted to receive consulting fees, investment banking fees, advisory fees, break-up fees, director’s fees, closing fees, transaction fees and similar fees in connection with actual or contemplated investments by a Point72 Fund (collectively, “**Transaction Fees**”). Point72 will cause such Transaction Fees to offset and reduce the Advisory Fee but only if the aggregate Transaction Fees received in connection with actual or contemplated direct or indirect investments by a Point72 Fund and parallel Point72 Funds during the fiscal year exceed \$1 million. If a Transaction Fee that is to offset Advisory Fees is generated in connection with an investment made by more than one Point72 Fund, it will be applied, on a pro rata basis, to reduce the Advisory Fees otherwise payable by such Point72 Funds. It is possible that Transaction Fees for a particular month will exceed the amount of the Advisory Fee for such month. If this occurs and the Transaction Fees are sufficient to offset the Advisory Fee, the excess will be applied to reduce the Advisory Fee in subsequent months. Performance compensation or advisory fees charged by an unaffiliated entity or an unaffiliated manager on reallocated capital from a Point72 Fund will be borne by the Point72 Fund and such amounts will not offset the Advisory Fee or Performance Compensation.

Advisory Fees are generally paid monthly in advance at the beginning of the month from a Point72 Fund’s assets. Performance Compensation is calculated monthly and is paid annually (or upon a redemption) based on the type of expense. Pass-Through Expenses are charged and paid on a monthly or annual basis. In the event an investment management agreement is terminated, including, in the case of a dissolution or liquidation of a Point72 Fund, any pre-paid fees will be reimbursed to the Point72 Fund pro rata based on the portion of the period for which fees were paid but for which services were not rendered.

In addition to the fees and expenses described above, each Point72 Fund will bear its own expenses and its proportionate share of the expenses of each Subsidiary Fund in which it invests, including brokerage commissions and other transactional expenses, as well as expenses that are incurred by a General Partner, Point72 or any of their respective affiliates, which expenses, in the sole discretion of the General Partner or Board, as applicable, are allocable to, or associated with, the activities of the Point72 Fund.

Each Point72 Fund bears all expenses incurred in connection with the initial and ongoing offering and sale of interests in the Point72 Fund. These expenses include, but are not limited to, all expenses incurred in connection with and directly and indirectly related to the formation, qualification, and registration and/or exemption from qualification and registration of a Point72 Fund and the interests under applicable U.S. federal and state law and foreign law, and the offering, distribution, and processing of the interests or shares, as applicable, including but not limited to the preparation and review of offering and subscription materials, legal, accounting, and auditing fees and expenses, printing and duplication expenses, mailing expenses, filing fees, solicitation and marketing expenses, and other related expenses.

Operating expenses to be borne by each Point72 Fund may include, but are not limited to:

- investment expenses including, without limitation, the cost of investments, management and advisory fees, and Performance Compensation (including, to the extent that such Point72 Fund's capital is reallocated to an unaffiliated investment entity or an unaffiliated investment manager, the fees charged by such entity or manager), other expenses related to the ownership, purchase, sale, or transmittal of assets;
- transaction expenses (including, but not limited to, brokerage commissions, prime broker fees, initial and variation margin, interest and dividend expense, margins, option premiums, brokerage, floor, exchange, and clearinghouse commissions, memberships and fees, custodial and related services fees, bank fees, commitment fees or other finance charges, borrowing charges on securities sold short, clearing and settlement charges, transmission costs and related expenses);
- expenses related to the valuation of such Point72 Fund and communications with investors, including, but not limited to, valuation, appraisal, analysis and accounting expenses (including costs associated with any third-party independent valuation or risk analysis provider to such Point72 Fund, the General Partner or Point72), record keeping, administration (including costs associated with any third-party administrator to such Point72 Fund), fees and expenses relating to investor meetings and conferences, expenses of preparing, publishing, duplicating and transmitting (electronically or otherwise) reports, tax information and notices to investors and regulatory authorities and expenses for specialized administrative services;
- professional fees and expenses, including, without limitation, legal and other professional fees and expenses incurred in connection with investments (including in respect of due diligence, negotiation and ongoing monitoring), trading operations and regulatory and compliance related matters or necessitated by the Partnership's operations or investments, including those of the Investment Manager or any of its affiliates;
- fees of directors, managers and members of such Point72 Fund's or any subsidiary funds' advisory committees (each, an "**Advisory Committee**");
- taxes and fees including, without limitation, any and all taxes and governmental fees and other charges payable by or with respect to or levied on a Point72 Fund or its investments; and
- other regular or extraordinary fees and expenses associated with or related to such Point72 Fund.

Point72 believes that its intellectual property has significant value and it is in Point72's interest to continue to develop such intellectual property. Certain Pass-Through Expenses and Advisory Fees borne by the Point72 Funds include amounts that are used to pay for the development of Point72's intellectual property. The Point72 Funds will have no right to or property interest in Point72's intellectual property.

#### Item 6 Performance-Based Fees and Side-By-Side Management

As noted in the response to Item 5 above, Point72 may receive, either directly or indirectly, Performance Compensation, determined with respect to each investor in each Point72 Fund. The Performance Compensation borne by an investor in a Point72 Fund will be calculated on net profits (less the Advisory Fee and Pass-Through Expenses), subject to a loss carryforward. Point72 may in the future elect to receive an incentive allocation from one or more of the Point72 Funds in an amount equal to (and in lieu of) some or all of the incentive fees constituting Performance Compensation. Any such change to the Performance Compensation will not result in an increase to the Performance Compensation (or alternative incentive compensation arrangement) borne by any investor.

The existence of Performance Compensation creates an incentive for Point72 to cause Point72 Funds to make investments that are more speculative than would be the case in the absence of such incentive-based compensation.

#### Item 7 Types of Clients

Point72 provides investment management services, as described above in response to Item 4, to the Point72 Funds. As previously noted, the Point72 Funds are not registered or required to be registered under the Investment Company Act, and their securities are not registered or required to be registered under the Securities Act and will be privately placed to qualified investors in the United States and elsewhere. The Point72 Funds organized as feeder funds have a specified minimum initial investment as set forth in their offering documentation; such minimums range from \$25,000 to \$50 million. Subject to applicable law, the minimum investment thresholds may be waived by a Point72 Fund's General Partner or Board, as the case may be, in its discretion.

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

Point72 seeks to achieve each Point72 Fund's investment objective by focusing primarily on long/short equity, systematic and global macro investment strategies and seeks to employ other investment strategies opportunistically. Point72 employs these strategies in attempting to achieve an attractive return on capital consistent with principles that are designed to reduce the risk of permanent capital loss. Point72 is an active investor and may use significant leverage, engage in short-sale transactions, and/or exercise various options and arbitrage strategies.

In implementing specific strategies for a Point72 Fund, Point72 may manage assets such as equities (including listed, unlisted, traded or privately offered, domestic, foreign, depository receipts and preferred); secured and unsecured debt (including both corporate and sovereign, mortgage-backed to-be-announced securities, bank loans, loans originated by a Point72 Fund, vendor claims and other legal and/or contractual claims); futures; forward contracts; options; convertible bonds and preferred stock; derivative instruments, including listed and over-the-counter, swaps and other equity or fixed income related instruments; contracts for differences; currencies; and commodities.

Investing in securities and commodities involves risk of significant loss that investors should be prepared to bear.

### *Investment Strategies*

As described in Item 4 above, each Point72 Fund generally invests through a modified "master-feeder" structure in which a Point72 Fund pursues its investment objective by investing its assets directly or indirectly through various Subsidiary Funds. Point72 reserves the right to allocate whatever amount of a Point72 Fund's capital to any investment strategy and to any Subsidiary Fund as Point72, in its sole discretion, deems appropriate and to change or eliminate such allocation at any time, without notice to any of the Point72 Fund's investors. Such allocations of capital will vary, often materially, over time. Point72 actively searches for additional investment managers and investment strategies to whom or to which Point72 may allocate significant portions of a Point72 Fund's assets in its sole discretion. Point72 may at any time and from time to time invest some or all of a Point72 Fund's capital with an unaffiliated investment manager or with an unaffiliated investment entity.

Point72 employs one or more of the following investment strategies for some or all of the Point72 Funds:

- *Long/Short and Opportunistic Strategies* – In implementing its investment strategies with respect to the Point72 Funds that pursue principally long/short and opportunistic strategies, Point72 utilizes a fundamental research-intensive security selection process aimed at identifying mispriced securities. Point72 will analyze data on a company-by-company basis and seek to capitalize on the difference between the current market valuation of a security or derivative instrument and what it considers to be the probable market value of that security or derivative instrument. The portfolios will include both (i) long positions in, and options on, securities or other instruments that Point72 believes to be undervalued and (ii) short positions in, and options on, securities or other instruments that Point72 believes to be overvalued.

Point72's investment decisions with respect to certain of the Point72 Funds do not rigidly adhere to any particular investment formula or system, but rather rely on the knowledge and judgment of certain employees of Point72.

- *Systematic Strategies* – In implementing its investment strategies with respect to the Point72 Funds that pursue principally systematic strategies, Point72 seeks to generate high returns relative to risk through the use of proprietary investment systems that consist of various computational techniques and models that seek to predict future prices in a variety of financial instruments. The models are based upon historical and contemporaneous events and information, which may include price, volume, fundamentals and volatility of the applicable instruments and markets. The investment approach typically involves trading diversified baskets of instruments around the world and around the clock, including, but not limited to, equities, futures, currencies, fixed income and both listed and over-the-counter derivatives.

Certain of the Point72 Funds may pursue trading strategies with relatively high trading volume relative to overnight holding period, sometimes referred to as high-frequency trading. Other Point72 Funds may

engage in trading of commodities futures, financial futures, foreign exchange, exchange traded funds and other financial instruments (which represent exposure to an asset class, commodity or index rather than to securities issued by individual corporations). A Point72 Fund may also engage in the trading of derivative instruments that are nonlinear in nature or involve optionality.

While risk control is a feature of the investment systems, these strategies use significant leverage. Accordingly, these strategies may experience more significant and rapid losses as a result of leverage in times of market disruption or when the predictions of the models are in the aggregate incorrect.

- *Macroeconomic Strategies* – Certain Point72 Funds pursue a strategy seeking to achieve a high rate of return on capital by using macroeconomic analyses to develop ideas that lead to concentrated investments in rates, sovereign credits, foreign exchange, commodities and equities.

#### *Investment Methods and Strategies Common to Multiple Point72 Funds*

Emphasis on Risk Management. Point72's investment philosophy is grounded on the active spreading of risk among many investments. Risk control is an integral feature of most of Point72's trading systems. Point72 regularly monitors the composition of a Point72 Fund's portfolio and makes adjustments based on a variety of systematic and subjective assessments. Despite these efforts to diversify risk, Point72's efforts to control risk and limit losses may prove ineffective, particularly in times of market disruption, and at times Point72 may elect not to undertake certain risk mitigation techniques.

Active Investment Style. Point72 manages a substantial portion of the portfolios of the Point72 Funds through an active investment style. These portfolios effect numerous transactions on any given trading day and Point72 anticipates that these Point72 Funds will incur brokerage commissions that constitute a significant portion of their net assets on an annual basis.

Use of Cash and Cash Equivalents. Point72 may hold cash or invest in cash-equivalents, consisting primarily of obligations of the U.S. Government, its agencies or instrumentalities, commercial paper, reverse repurchase agreements, money market mutual funds, and interest bearing deposits with financial institutions deemed by Point72 to be appropriately creditworthy.

Use of Leverage. Point72 has the power to cause a Point72 Fund to use substantial leverage. Point72 does so as a fundamental part of the investment philosophy employed by a Point72 Fund. Leverage may be used opportunistically and may vary substantially from time to time without notice to investors in a Point72 Fund. Historically, Point72 has employed significant leverage in connection with the Point72 Funds' securities investing. Leverage may also be used to meet withdrawals which would otherwise result in the premature liquidation of investments.

Leverage may take a variety of forms, such as derivative instruments with inherent leverage, trading on margin, repurchase arrangements and bank loan facilities. While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified, possibly significantly, to the extent leverage is utilized and result in a substantial loss to a Point72 Fund. In times of market disruption or when the predictions of models are incorrect levered strategies used by a Point72 Fund may experience more significant and rapid losses than would be the case in the absence of leverage. In addition, a change in the general level of interest rates may adversely affect a Point72 Fund.

Commodities. Commodity interests are traded by Point72 generally in a manner that is incidental to its overall securities investing activities, but may at times be substantial. The Point72 Funds fulfill their margin requirements with cash or liquid securities held in brokerage accounts at their commodity brokers. Interest on these securities accrues to a Point72 Fund as the case may be. A substantial portion of the assets of a Point72 Fund may be used in commodities trading.

Reliance on Judgment. Although Point72's investment advisory efforts may be supported by fundamental research of issuers, sectors, markets and financial instruments, they are not required to be. Furthermore, Point72 is not



required to conduct any minimum level of research or analysis in connection with making investment decisions for a Point72 Fund and instead may make investment decisions based upon other factors. For example, at times, Point72 may make investment decisions based on considerations such as market rumors, general market conditions or similar factors unrelated to a company's fundamentals.

Strategic Relationships and Joint Ventures. Point72, a Point72 Fund or their respective affiliates may invest capital with an unaffiliated manager or an unaffiliated investment entity and, in consideration for such investment, may receive an economic interest in the unaffiliated managers managing such unaffiliated investment entities or their affiliates. These investments are often referred to as "seed capital" or "anchor investor" arrangements and may involve a long term commitment of a sizable investment with a newly formed, unestablished unaffiliated manager. An ownership interest or revenue sharing right held by Point72 or its affiliates (excluding a Point72 Fund) in an unaffiliated manager will create a conflict of interest if a Point72 Fund has allocated capital to be managed by the unaffiliated manager because the Point72 Fund's capital will benefit Point72's (or its affiliate's) investment in or with the unaffiliated manager.

#### *CPV Partners, LLC*

CPV Partners, LLC ("CPV") (also known as Cohen Private Ventures) generally invests long-term capital primarily in private equity (including venture and growth capital), real estate and other financial and strategic investment opportunities, directly or through externally-managed investment funds, across a range of industry sectors and geographies. Such strategies are currently only available for investment by Mr. Cohen and certain employees of CPV or its affiliates. The investment strategies, risks and types of securities invested in by CPV vary substantially from those of the other Point72 Funds described herein, as disclosed to the investors in such other Point72 Funds.

#### *Point72 Ventures, LLC*

Point72 Ventures, LLC ("P72V") generally pursues early-stage venture capital investments and other financial and strategic investment opportunities across a range of industry sectors and geographies. Such strategies are currently only available for investment by Mr. Cohen. The investment strategies, risks and types of securities invested in by P72V vary substantially from those of such other Point72 Funds described herein, as disclosed to the investors in these Point72 Funds.

#### *Material Risks of Significant Investment Strategies and Primary Investments*

Below is a discussion of the material risks of significant investment strategies and primary investments of one or more of the Point72 Funds. For more information about a Point72 Fund's risks, please see the offering materials for that Point72 Fund.

Dependence on Mr. Cohen and Other Key Personnel; Retention. Investors, in such capacity, have no authority to make decisions on behalf of a Point72 Fund. The success of a Point72 Fund depends upon the ability of Mr. Cohen and the other key personnel of Point72 and its affiliates to develop and implement investment strategies that achieve the Point72 Fund's investment objective. Mr. Cohen and other key personnel of Point72 oversee the management of Point72 and its allocation and management of the capital of the Point72 Funds. If a Point72 Fund were to lose the services of Mr. Cohen or certain key personnel, the consequence to the Point72 Fund could be material and adverse and lead to the premature termination of the Point72 Fund. A Point72 Fund's performance will be highly dependent on Point72's ability to attract new employees and to retain existing employees. There is not currently a "key man" life insurance policy in place in respect of Mr. Cohen.

Investments Are Speculative and Volatile. Securities and commodity interest prices are highly volatile. Moreover, since Point72 buys and "sells short" securities on margin, the volatility of a Point72 Fund's portfolio is greatly increased, leading to significantly greater risks. The Point72 Funds invest in these markets on a purely speculative basis. No assurance can be given that Point72's speculative investing will result in profitable investments for the Point72 Funds or that the Point72 Funds will not incur substantial losses.

Hedging Transactions. A Point72 Fund may use a variety of derivatives and other financial instruments both for investment purposes and for risk-management purposes. However, Point72 is not in managing the Point72 Funds

obligated to, and may choose not to, hedge against risks. While a Point72 Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Point72 Fund than if it had not engaged in any such hedging transaction. Moreover, certain risks cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

Competition; Availability of Investments. Certain markets in which a Point72 Fund may invest are extremely competitive for attractive investment opportunities. There can be no assurance that a Point72 Fund will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition to a Point72 Fund in obtaining suitable investments or an increase in the number of investors that are attempting to purchase or sell similar positions simultaneously.

Investments Are Highly Leveraged. The Point72 Funds' investments are conducted on a highly leveraged basis. Accordingly, a relatively small price movement may result in immediate and substantial losses to the Point72 Funds. Like other leveraged investments, any trade may result in losses in excess of the amount invested. In addition, investing in securities or commodities on margin results in interest charges to the Point72 Funds. Although the use of leverage can substantially improve the return on invested capital, its use also may increase any adverse impact to which the investment portfolio of a Point72 Fund may be subject. In certain economic environments, a Point72 Fund may be unable to obtain the leverage that Point72 might otherwise desire to utilize or the financial terms on which leverage is available may be unattractive. Without leverage, the Point72 Fund may be unable to achieve attractive investment returns.

Assets May Not Be Diversified. The Point72 Funds have no diversification requirements and may concentrate investments in particular types of positions. The investment risk of a portfolio that is concentrated in particular positions is greater than if the portfolio is invested in a more diversified manner. A Point72 Fund may at times have an unusually high concentration in certain types of positions because of Point72's investment methods and strategies. This lack of diversification could result in significant losses.

Illiquid Investments. A Point72 Fund may hold a portion of its total assets in non-public, restricted and illiquid securities. At various times, the markets for securities purchased or sold by a Point72 Fund may be "thin" or illiquid, including by reason of a trading halt, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. There may be no market for unlisted securities invested in by a Point72 Fund. In some cases, a Point72 Fund may be continually prohibited from disposing of such securities for a specified period of time, which could cause a material adverse effect to the Point72 Fund.

In addition, a Point72 Fund may invest part of its assets in investments that Point72 believes either lack a readily assessable market value or should be held until the resolution of a special event or circumstance ("**Illiquid Investments**"). A Point72 Fund may not be able to readily dispose of Illiquid Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. For accounting purposes, Illiquid Investments and other assets and liabilities for which no such market prices are available will generally be carried on the books of a Point72 Fund at fair value as reasonably determined by Point72. There is no guarantee that fair value will represent the value that will be realized by a Point72 Fund on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Risk of Minority Positions. A Point72 Fund may hold minority positions in certain private companies. As a result, a Point72 Fund is not able to exercise control over such companies and may be unable to control the timing or occurrence of any exit strategy for any investment in such a company.

Micro, Small and Medium Capitalization Companies. The Point72 Funds invest their assets in the stocks of companies with micro- or small- to medium-size market capitalizations. While Point72 believes such stocks often provide significant potential for appreciation, those stocks, particularly micro- and small-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of micro- and small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. The management teams of smaller companies may be

less experienced and less capable in some cases than is typical of larger companies. In addition, because the trading volume in some micro- and small-capitalization stocks is small, an investment in those stocks may be illiquid.

Difficult Market Conditions. The performance of a Point72 Fund is highly dependent upon conditions in the global financial markets and economic conditions throughout the world that are outside Point72's control and difficult to predict. Factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts or security operations) can have a material negative impact on a Point72 Fund's investments. Unpredictable or unstable market conditions may result in reduced opportunities to find suitable risk-adjusted investments to deploy capital and/or make it more difficult to exit and realize value from existing investments of a Point72 Fund. It is important to understand that a Point72 Fund can incur material losses even if it reacts quickly to difficult market conditions, and there can be no assurance that a Point72 Fund will not suffer material adverse effects from broad and rapid changes in market conditions. Markets can correlate strongly at times or in ways that are difficult for Point72 to predict, so even a well-diversified, multi-strategy approach may not protect a Point72 Fund from significant losses under certain market conditions.

Short Sales. A Point72 Fund may engage in "short sales" (i.e., the sale of a security which a Point72 Fund does not own in the hope of purchasing the same security at a later date at a lower price). A Point72 Fund will realize a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. Nevertheless, a short sale by a Point72 Fund involves the theoretically unlimited risk of loss if the price of the security increases between the date of the short sale and the date on which the Point72 Fund covers its short position (i.e., purchases the security to replace the borrowed security). The United States and other jurisdictions have recently imposed restrictions and reporting requirements on short selling and additional restrictions may be adopted in the future. Restrictions and reporting requirements may prevent a Point72 Fund from successfully implementing its investment strategy and may provide transparency to the Point72 Fund's competitors to its positions, thereby having a detrimental impact on the Point72 Fund's returns. Point72 is unable to predict how additional restrictions on short selling may affect the investment methods and strategies of a Point72 Fund.

Use of Options. A Point72 Fund may buy or sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the class and amount of those as to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. A Point72 Fund's options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Point72 Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, the principal risks involved in options investing can be described as follows, without taking into account other positions or transactions into which a Point72 Fund may enter. When a Point72 Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Point72 Fund's investment in the option (including commissions).

When a Point72 Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered" (i.e., accompanied by a long position in the underlying security). If it is covered, a Point72 Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option less the option proceeds, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a Point72 Fund would forego the opportunity for profit on the underlying short position should the market price of the security fall below the exercise price.

Stock Index Options. A Point72 Fund may also purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for investment purposes or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The

effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in a Point72 Fund's portfolio correlate with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether a Point72 Fund realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by a Point72 Fund of options on stock indices will be subject to Point72's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Equity Swaps and Interest Rate Swaps. A Point72 Fund may make use of equity swaps, interest rate swaps and other swaps. A swap is a contract under which two parties agree to make periodic payments to each other on the basis of the value of a security, specified interest rates, an index or the value of some other instrument, applied to a stated or "notional" amount. An equity swap is a customized derivative instrument that entitles the counterparty to certain payments on the gain or loss on the value of an underlying equity security. An interest rate swap is a derivative instrument pursuant to which two parties agree to exchange one stream of interest payments for another over a period of time. Swaps are subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. A Point72 Fund may enter into swap transactions with a counterparty at prices that reflect a price differential or spread between the bid and the ask prices. The differential includes anticipated profits and costs to the counterparty as dealer, which generally includes a mark-up or commission. The amount of such mark-up or commission is not possible to quantify.

Credit Default Swaps. A Point72 Fund may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. Credit default swaps also can be used to implement Point72's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, a Point72 Fund may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Point72 Fund to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. A Point72 Fund may also "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of Point72, there is a high likelihood of credit deterioration.

The credit default swap market in high yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury yield curve, among other factors. As such, there are many factors upon which market participants may have divergent views. A Point72 Fund may also enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Derivatives, particularly swaps, generally have a high degree of embedded leverage. For a small amount of premium, the holder of a derivative may obtain exposure to the potential market movement of a much greater amount of underlying securities or other instruments. As a result, the opportunities for gains, and also the risk of loss, of trading in derivatives is significantly greater in many cases than is a position in the underlying securities or other instruments traded in the "cash" markets.

Contracts for Differences. A Point72 Fund may enter into contracts for differences. In these transactions, a Point72 Fund and another party assume price positions in reference to an underlying security or other financial instrument. The "difference" is determined by comparing each party's original position with the market price of such securities or financial instruments at a pre-determined closing date. Each party will then either receive or pay the difference, depending on the success of its investment. Financial markets for the securities or instruments which form the

subject of a contract for differences can fluctuate significantly. Parties to a contract for differences assume the risk that the markets for the underlying securities will move in a direction unfavorable to their original positions. In addition, these contracts often involve considerable economic leverage. As a result, such contracts can lead to disproportionately large losses as well as gains and relatively small market movements can have large impacts on the value of the investment. In the United Kingdom, contracts for differences are often preferred to the underlying securities or other instruments because contracts for differences, unlike trades in the underlying securities or other instruments, do not incur U.K. “stamp” duty.

Fixed Income Securities. A Point72 Fund may invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities and mortgage-backed to-be-announced securities issued or guaranteed by a government or one of its agencies or instrumentalities; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which a Point72 Fund may invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, prepayment risk, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Loans of Portfolio Securities. A Point72 Fund may lend its portfolio securities. By doing so, the Point72 Fund attempts to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, a Point72 Fund could experience delays or losses in recovering such securities. To the extent that the value of the securities lent by a Point72 Fund has increased, the Point72 Fund could experience a loss if such securities are not recovered.

Other Derivative Instruments. A Point72 Fund may take advantage of opportunities with respect to derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the Point72 Fund’s investment objectives and legally permissible. Special risks may apply to instruments that are invested in by a Point72 Fund in the future that cannot be determined until such instruments are developed or Point72 determines to make such an investment.

Certain Risks of Systematic Strategies. The investment strategy to be pursued by the Point72 Funds in the form contemplated by Point72 as of the date hereof in part involves the purchase and sale of securities as determined by systematic models. It is anticipated that these systematic models will be modified over time. Certain of these models currently depend in part on data generated from other investment strategies pursued by Point72 or its affiliates, particularly the discretionary long/short equity investment strategy, and generally trade on a delayed basis relative to those investment strategies. This delay in trading of securities may adversely impact the performance of a Point72 Fund. For example, the prices of such securities may have changed by the time of a Point72 Fund’s trade and/or the basis on which the transaction was undertaken on behalf of an account of clients other than the Point72 Fund (the “**Other Accounts**”) may no longer be a basis on which Point72 would undertake a transaction for the Point72 Fund but for the investment strategy’s use as an input of the prior transactions. The systematic investment strategy is subject to certain restrictions not applicable to other investment strategies, including discretionary investment strategies, pursued by Point72 with respect to Other Accounts. For example, the investment strategy imposes certain limitations on the size of positions that may be acquired for the Point72 Funds which limitations are generally more restrictive than those applicable to Point72’s other investment strategies. As a result of these limitations, the performance of a Point72 Fund may be negatively impacted especially relative to the Other Accounts that are not subject to the limitations.

Point72 and its affiliates may use the systematic investment strategy or a substantially similar trading strategy for a Point72 Fund and Other Accounts. Thus, Point72 may buy or sell different securities or the same securities at the same or different times, for a Point72 Fund than the securities purchased or sold for Other Accounts. Point72 may cause the Other Accounts to increase or decrease the amount of capital invested pursuant to the investment strategy or to cease using the systematic investment strategy entirely at any time without notice to investors and without adjusting a Point72 Fund’s exposure to the systematic investment strategy in a corresponding manner. As a result, investors may be disadvantaged. The rates of return for a Point72 Fund and the Other Accounts are expected to differ, perhaps materially. When Point72 and its affiliates place the same or similar orders at or about the same time for the accounts of clients, all such accounts may be competing for the same or similar positions and, depending

upon whose order is placed first, the difference in timing may result in some accounts receiving better prices than other accounts.

Models and Data of Systematic Strategies. Given the complexity of the investments and strategies of certain Point72 Funds, Point72 must rely heavily on proprietary analytical models developed by Point72 and information and data supplied by third parties (“**Models and Data**”) rather than exclusively on the judgment or discretion of Point72’s investment professionals. Models and Data are used to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of a Point72 Fund), and also in connection with the hedging of the Point72 Funds’ investments.

When Models and Data prove to be incorrect, misleading, or incomplete, any decisions made in reliance thereon expose a Point72 Fund to potential risks. For example, by relying on Models and Data, especially valuation models, Point72 may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Furthermore, when determining the net asset value of a Point72 Fund, any valuations of the Point72 Fund’s direct or indirect investments that are based on valuation models may prove to be incorrect.

Some of the analytical models used by Point72 are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, since predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All valuation models rely on correct market data inputs. If incorrect market data is entered into even a well-founded valuation model, the resulting valuations will be incorrect. However, even if market data is inputted correctly, “model prices” will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

Those Point72 Funds which rely on Models and Data are unlikely to be successful unless the assumptions underlying the models are correct and remain correct in the future. If such assumptions are inaccurate, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and Point72 does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. Point72 will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. There can be no assurance as to the effects (positive or negative) of any such modification on the performance of the Point72 Funds using such models.

Responsibility for researching, modeling and testing Models and Data is undertaken by the portfolio managers and their respective teams (referred to collectively as “investment teams”). Each investment team separately and independently manages their various Models and Data related to the investment process (i.e., alpha generation, risk management, transaction costs, portfolio construction, and execution). In doing so, the investment teams incorporate different technologies, source codes, testing methodologies and internal practices to achieve their modeling objectives. Although Point72 requires the independent investment teams to test material source code changes prior to production releases, there is no practical way for Point72 to ensure the various investment team Models and Data are operating as fully intended.

The competition among systematic strategy-focused managers is keen, and the ability of Point72 to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that Point72 is not able to develop sufficiently differentiated models, the Point72 Funds’ investment objectives may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that Point72’s models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect the Point72 Funds is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

The research and modeling process engaged in by Point72 is complex and involves financial, economic, econometric and statistical theories, research and modeling. The results of that process must then be translated into computer code. Although Point72 seeks to hire individuals skilled in each of these functions, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the

end product increases the chances that the finished model may contain an error; one or more of such errors could adversely affect a Point72 Fund's performance and losses associated with such errors will generally be borne by the Point72 Fund.

Investing on Non-U.S. Exchanges Presents Certain Risks. A Point72 Fund may invest in securities and commodity interests on exchanges and other markets located outside the United States, where the protections provided by the SEC and Commodity Futures Trading Commission ("CFTC") regulations do not apply. Investment in non-U.S. securities and commodity interests may be subject to greater risks than purely domestic investment because of a variety of factors, including the fluctuation of currency exchange rates, changes in governmental policies (in the United States and abroad), confiscation of assets by governmental decree, war or political upheaval, or changed circumstances in dealings between nations. A Point72 Fund also may not have the same access to certain trades as do various other participants in non-U.S. markets.

Generally, a Point72 Fund's net asset value is determined in U.S. dollars and as a result they are subject to the risk of fluctuation in the exchange rate between the local currency and dollars when investing on non-U.S. markets, and are also subject to the risk of exchange controls.

There may be less publicly available information about non-U.S. issuers than about U.S. issuers, and non-U.S. issuers are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those of U.S. issuers. Securities of some non-U.S. issuers are less liquid and more volatile than securities of comparable U.S. issuers and non-U.S. brokerage commissions are generally higher than in the United States.

A Point72 Fund, to the extent that it trades non-U.S. commodity interests, will be subject to the regulations of the applicable non-U.S. jurisdiction, if any. Some non-U.S. commodities exchanges, in contrast to domestic exchanges, are "principals' markets" in which performance with respect to a commodity interest contract is the responsibility only of the individual member with whom the trader has entered into the contract and not of the exchange or its clearinghouse, if any. In the case of investments by a Point72 Fund on non-U.S. exchanges, the Point72 Fund is subject to the risk of the inability of or refusal by its counterparties to perform with respect to their contracts with the Point72 Fund.

Currency Risk. Generally, a Point72 Fund will determine its net asset value in U.S. dollars and as a result it is subject to the risk of fluctuation in the exchange rate between the local currency and dollars when investing on non-U.S. markets and is also subject to the risk of exchange controls.

Regulation of Systematic Strategies. The SEC has adopted a rule prohibiting "naked access" to exchanges. Certain investment strategies, including particularly high- and ultra-high-frequency systematic strategies, rely on trading speed to take advantage of movements in prices and traders with unfiltered access to an exchange, so called "naked access," could have trades executed faster by avoiding the broker's filtering systems. This rule may adversely affect the ability of a Point72 Fund to pursue its investment strategies. The SEC is also considering the imposition of market-maker obligations or other costs on anyone engaged in high-frequency trading. While the U.S. government's definition of high-frequency trading may be designed primarily to capture market making or intra-day trading activities that are not a primary focus of activity for the Point72 Funds, it is likely that a number of these proposals will affect the trading activities of the Point72 Funds that involve trading with longer average holding periods. Also under consideration by the SEC is the imposition of a minimum amount of time for which a quotation entered into the market must remain active and other mechanisms to eliminate "quote stuffing." The European Union, and regulators in other jurisdictions, also may impose new regulations on high-frequency trading. Lastly, the SEC is considering the implementation of new trading "circuit breakers" and additional trading limitations. These mechanisms would restrict programmatic trading if a market moved up or down by more than a predetermined number of points on any trading day. If any one or more of these proposed regulations are implemented, compliance therewith may negatively affect Point72's ability to effect its trading strategies, and may in turn have a negative effect on the Point72 Funds' investments and investment performance.

Spread Investing and Arbitrage Investing May Involve Potential Risks. A part of the Point72 Funds' investment operations may involve spread positions between two or more securities or commodity interest positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur.

These positions, however, do entail a substantial risk that the price differential could change unfavorably, causing a loss to the spread position.

Investment operations of the Point72 Funds may involve arbitraging:

- between two securities;
- between the equity and equity options markets;
- between commodity interests and securities and/or options;
- between two commodity interests;
- between securities and commodity interests; and/or
- any combination of the above.

This means, for example, that a Point72 Fund may purchase (or sell) securities (i.e., on a current basis) and take offsetting, or partially offsetting, positions in options in the same or related securities. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions, however, entail substantial risk that the price differential could change unfavorably, causing a loss to the position.

Repurchase and Reverse Repurchase Agreements Present Certain Risks. A Point72 Fund may engage in repurchase and reverse repurchase agreements as part of its investment and cash management procedures. In the case of default by the transferee of a security in a reverse repurchase agreement, a Point72 Fund as transferor runs the risk that the transferee may not deliver the security when required. In the event of the bankruptcy or other default of a transferor of a security in a repurchase agreement, a Point72 Fund as transferee could experience delays in liquidating the underlying security and losses, including:

- (i) a possible decline in the value of the collateral during the period while the Point72 Fund seeks to enforce its rights thereto;
- (ii) possible subnormal levels of income and lack of access to income during this period; and
- (iii) expenses of enforcing its rights.

Illiquidity in the Commodities Market. Most U.S. commodities exchanges limit fluctuations in certain commodity interest prices during a single day by imposing what are known as “daily price fluctuation limits” or “daily limits.” The existence of “daily price fluctuation limits” or “daily limits” may reduce liquidity or effectively curtail investing in particular markets. Once the price of a particular contract has increased or decreased by the daily limit, positions in the contract can effectively neither be taken nor liquidated. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Point72 Fund from promptly liquidating unfavorable positions and subject them to substantial losses which could exceed the margin initially committed to these investments. Daily limits may reduce liquidity, but they do not limit ultimate losses, as daily limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, a Point72 Fund may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or the CFTC can suspend or limit trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also exists that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies.

Commodity futures contracts are, generally, contracts that provide for the future delivery of various energy commodities, agricultural commodities, industrial commodities, foreign currencies or financial instruments at a specified date, time and place. A Point72 Fund may conduct commodity activities that are evidenced by commodity warehouse receipts or electronic shipping certificates. Such receipts or certificates allow a Point72 Fund to take actual delivery of the commodity or dispose of such receipts or certificates in exchange for futures contracts or otherwise. A Point72 Fund intends to dispose of such receipts or certificates to avoid taking physical delivery of any commodities. However, if a Point72 Fund is unable to dispose of such receipts or certificates or elects to take physical delivery of commodities, the Point72 Fund may incur significant costs in connection with taking physical delivery of the related commodities.



Certain Risks Peculiar to Forward Trading. A Point72 Fund may enter into forward contracts for the trading of certain commodity interests, such as currencies and precious metals, with U.S. and foreign banks and currency and precious metals dealers. Forward contracts are not traded on an exchange and may be subject to greater volatility leading to greater risk of loss. A forward contract is a contractual obligation to buy or sell a specified quantity of a commodity on or before a specified date in the future at a specified price and, therefore, is similar to a futures contract. These contracts, unlike futures contracts and options on futures, are currently not regulated by the CFTC when traded between certain “eligible contract participants,” as defined in the U.S. Commodity Exchange Act, as amended (the “**Commodity Exchange Act**”). Generally, the Point72 Funds are eligible contract participants. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) includes non-U.S. exchange forward contracts in the definition of “swap” and therefore contemplates that certain of these contracts may be exchange-traded, cleared by a clearinghouse and regulated by the CFTC. Although the CFTC has been granted authority to regulate forward foreign currencies, until the CFTC establishes rules with respect to these transactions or if the Treasury Department exempts these transactions, trading by a Point72 Fund in forward foreign currencies is not regulated by the CFTC. Therefore, the Point72 Funds will not receive any benefit of CFTC regulation for these trading activities. Furthermore, although the Dodd-Frank Act contemplates that certain foreign exchange forwards may be exchange-traded and cleared by a clearinghouse, these transactions are not currently exchange-traded so that, generally, no clearinghouse or exchange stands ready to meet the obligations of the contract. Thus, a Point72 Fund faces the risk that its counterparties may not perform their obligations. This risk may cause some or all of a Point72 Fund’s gains, and protection from loss in the case of hedging transactions, to be unrealized.

Speculative Position Limits. The CFTC and U.S. exchanges have established “speculative position limits” on the maximum net long or net short position which any person may hold or control in particular futures and options on futures. Most exchanges also limit the amount of fluctuation in commodity futures contract prices on a single trading day. Point72 believes that established position limits will not adversely affect the contemplated trading by a Point72 Fund. It is possible, however, that from time to time the investment decisions of Point72 may have to be modified and positions held or controlled by Point72, its principals and affiliates may have to be liquidated to avoid exceeding position limits. Such modifications and liquidations could have an adverse effect on a Point72 Fund.

Commodity Brokers May Fail. Commodity Exchange Act Section 4d(a)(2) requires a futures commission merchant to segregate funds deposited in a customer’s commodity futures account. If a commodity broker used by a Point72 Fund fails to properly segregate customer funds, the Point72 Fund may be subject to a risk of loss of its funds on deposit in the event of such commodity broker’s bankruptcy or insolvency. In addition, under certain circumstances, such as the inability of another customer of the commodity broker or the commodity broker itself to satisfy substantial deficiencies in the other customer’s account, a Point72 Fund may be subject to a risk of loss of the funds on deposit even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, a Point72 Fund might recover, even in respect of property specifically traceable to them, only a pro rata share of all property available for distribution to all of the commodity broker’s customers. If no property is available for distribution, the Point72 Fund would not recover any of its assets.

Investments with Unaffiliated Managers or in Unaffiliated Investment Entities. Certain Point72 Funds invest a portion of their assets with unaffiliated investment entities and such investments present certain risks. Investors in the Point72 Funds that invest with unaffiliated managers and through unaffiliated investment entities will, in effect, incur the costs of investment advisory services at both the level of the Point72 Fund and the level of the unaffiliated managers or unaffiliated investment entities. Investments with unaffiliated managers and through unaffiliated investment entities may be subject to restrictions on liquidity, including lock-up requirements, infrequent permitted redemption dates and suspensions and distributions may be in the form of securities that are illiquid or difficult to value rather than in cash. If an unaffiliated manager or unaffiliated investment entity performs inadequately and the Point72 Fund invested therein is unable to withdraw its capital, it could have a material adverse effect on the performance of the Point72 Fund. The performance of investments with unaffiliated managers and through unaffiliated investment entities depends on the success of the unaffiliated managers and unaffiliated investment entities. Point72’s ability to evaluate and monitor such investments will be limited relative to the ability of Point72 to evaluate and monitor its own employees. Misconduct by employees of an unaffiliated manager or unaffiliated investment entity could cause significant losses to the Point72 Fund invested therein.

**Risk of Changes to Investment Strategy.** Point72 may, from time to time in its sole discretion, refine or change the investment strategy (including technical trading factors or analyses, securities traded, and money management principles used). If this happens, the description of the investment strategies in this Item 8 may no longer be useful and the different investment strategies may involve risks that are not described herein. Such risks could prove substantial.

**Purchases of Securities and Other Obligations of Financially Distressed Companies.** From time to time, a Point72 Fund may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although these purchases may result in significant returns to a Point72 Fund, they involve a substantial degree of risk and may not show any returns for a considerable period of time. In fact, many of these securities and investments ordinarily cannot be realized unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that Point72 will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which a Point72 Fund invests, the Point72 Fund may lose its entire investment or may be required to accept cash or securities with a value less than the Point72 Fund's original investment.

**Participation in Management of Issuers.** From time to time, Point72 or its affiliates may take actions in an effort to maximize shareholder value in companies in which a Point72 Fund or Other Accounts have a substantial investment by participating in the management of such companies. For example, Point72 may seek representation on the board of directors of such a company. A member of a board of directors owes certain obligations to all shareholders of the company. Due to these activities, Point72 may become an "insider" for the purpose of the federal securities laws and, accordingly, a Point72 Fund may be restricted or prohibited from trading securities of the company, including securities which it may own in such company, while Point72 continues to be represented on the board of directors. Determination of whether information obtained by an "insider" is material and non-public and how long such information restricts trading is a matter of considerable uncertainty and judgment. If a company performs inadequately and a Point72 Fund is restricted in its ability to liquidate its investment in the company, it could have a material adverse effect on the performance of the Point72 Fund.

**Brokerage Firms May Fail.** The Point72 Funds leave all or substantially all of their assets on deposit with its brokers and banks and may choose not to use a bank custodian to hold their assets. Rule 15c3-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), requires a broker-dealer to segregate a customer's cash and fully paid-for securities from the broker-dealer's own assets. If the broker-dealer fails to do so, a Point72 Fund may be subject to risk of loss of the assets held by the broker-dealer in the event of the broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by a Point72 Fund, the U.S. Securities Investor Protection Corporation provides a maximum of \$500,000 of account insurance per entity, subject to a limit of \$250,000 for cash. Since a Point72 Fund's assets on deposit usually will exceed these amounts, the Point72 Fund may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer. A Point72 Fund also utilizes non-U.S. broker-dealers which may not be subject to investor protection regulations such as those referenced above. In the event of the failure or insolvency of a non-U.S. broker-dealer, the portion of a Point72 Fund's assets on deposit which are recoverable may be extremely limited. An example of such a risk occurred upon the failure of Lehman Brothers and several of its non-U.S. affiliates.

**Counterparties to Derivatives Transactions May Fail.** A Point72 Fund may enter into derivatives transactions in the course of its investment activities. The economic success of these transactions, including forwards, futures, options and swaps, depends on future performance by the counterparty with which a Point72 Fund has transacted. If there is a default by the counterparty to such a transaction, a Point72 Fund will under normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of a Point72 Fund being less than if the Point72 Fund had not entered into the transaction. The obligation of the counterparty may not be secured by pledged assets, or if secured, possibly may not be fully secured. To the extent such transactions are not fully secured, a Point72 Fund depends on the creditworthiness of the counterparties with which it has transacted. If one or more of the Point72 Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United

States, there exists the risk that the recovery of the Point72 Fund's securities and other assets from such counterparty will be delayed or be of a lesser value. Counterparties located in a jurisdiction other than the United States may be subject to various laws and regulations that are designed to protect their customers in the event of their insolvency. Due to the large number of counterparties and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of insolvency on a Point72 Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Point72 Fund, which could be material.

Execution of Orders. A Point72 Fund's investment strategy may depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by Point72. Investment orders may not be executed in a timely and efficient manner because of various circumstances, including, without limitation, systems failures or human error attributable to Point72, its brokers, agents or other service providers. In such an event, Point72 might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, Point72 may not be able to make such adjustment. Point72 relies heavily on electronic execution systems, and such systems may be subject to failure, causing the interruption of investment orders made by the Point72 Funds.

Limitations Due to Regulatory Restrictions. A Point72 Fund, Point72 and/or their affiliates may seek to acquire a significant stake in certain securities. In the event such a stake exceeds certain percentage or value limits, the acquirers may be required to file a notification with a governmental agency or comply with other regulatory requirements. Certain notice filings are subject to review that may require a delay in the acquisition of the security and some notice filings require the investor to cease buying or selling the subject security for a period following the filing. Compliance with such filing and other requirements may result in additional costs to a Point72 Fund, the Other Accounts, Point72 or its affiliates, and may delay the ability to respond in a timely manner to changes in the markets with respect to such securities. To avoid or mitigate the review and/or delay in connection with notice filings, Point72 may limit the size of a Point72 Fund's stake in certain securities which may adversely affect the Point72 Fund's investments.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of certain investments, a Point72 Fund may be required to make representations about the business and financial affairs of the underlying company and to indemnify the purchasers of such company if those representations ultimately prove to be inaccurate. A Point72 Fund may establish reserves as appropriate to provide for such contingent liabilities.

Co-Investment and Joint Ventures. A Point72 Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a co-venturer may have financial difficulties that negatively impact such investment. Further, a co-venturer may have economic or business interests that are inconsistent with those of a Point72 Fund or may be in a position to take action in a manner contrary to a Point72 Fund's investment objectives. In those circumstances where such third parties involve the management group of a company invested in by the Point72 Fund, such third parties may receive compensation arrangements relating to such investment, including incentive compensation arrangements.

Reliance on Financial Reporting. Many of Point72's investment strategies rely on the financial information made available by the issuers of the securities in which the Point72 Funds invest. Point72 is dependent upon the integrity of both the management of these issuers and the financial reporting process in general in making investments for the Point72 Funds. Material losses can occur as a result of corporate mismanagement, fraud and accounting irregularities.

Material Non-Public Information. As part of its investment advisory activities, Point72 may come into possession of material non-public information of an issuer that it will be prohibited from using for the benefit of a Point72 Fund or the Other Accounts. In such a circumstance, the Point72 Fund and the Other Accounts are generally restricted in their ability to buy and sell the public securities of such issuer. This may occur, for example, if Point72 is contemplating a transaction and, as part of that process, is required to sign a non-disclosure agreement. Further, the Point72 Funds may be restricted from trading even if they do not participate in the transaction related to the non-public information. Alternatively, one or more employees of Point72 or an affiliate may sit on an issuer's board of directors or hold a significant personal interest in a company. In such a circumstance, Point72 may be considered an

“insider” for the purpose of the U.S. federal securities laws and, accordingly, may be restricted or prohibited from trading securities of the issuer, including securities that a Point72 Fund may already own. In addition, Point72’s compliance department may impose internal trading restrictions on the securities of a particular issuer, even if trading in those securities is not strictly prohibited as a matter of law. If a Point72 Fund has an existing holding in the securities of an issuer and Point72 restricts trading in those securities, the Point72 Fund would not be able to sell or otherwise dispose of that position during the period in which the restriction is in place, and the Point72 Fund may experience a loss in value, including a total loss, of the position during this period.

Adverse Legal Action; Litigation. Point72’s business is subject to extensive and complex regulation. The regulatory bodies with jurisdiction over Point72 generally have the authority to conduct investigations and administrative proceedings and to grant or cancel Point72’s authority to carry on its business.

From time to time, in the ordinary course of operations, Point72 is subject to regulatory inquiries, examinations and investigations from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources. Any such inquiry, examination or investigation could lead to civil or criminal proceedings resulting in a censure, fine, penalty and/or other sanction, including asset freezes, the issuance of a cease and desist order or the suspension or expulsion of an individual. Any such inquiry, investigation or enforcement proceeding could have a material adverse impact on the Point72 Funds. In addition, Point72 and/or the Point72 Funds may be party to civil litigation proceedings related to investments by the Point72 Funds. The expense of prosecuting claims and/or defending against claims by third parties and paying any amounts pursuant to settlements or judgments will generally be borne by the Point72 Funds.

Risks Associated with Private Portfolio Company Investments. There often will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions are dependent upon the ability to obtain relevant information from non-public sources. The marketability and value of each investment will depend upon many factors beyond a Point72 Fund’s control. Although a Point72 Fund’s representative may serve on a portfolio company’s board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Point72 Fund, Point72 or their respective affiliates). A Point72 Fund may hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Such portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Such portfolio companies may also need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. A Point72 Fund’s capital is limited and may not be adequate to protect the applicable fund from dilution in multiple rounds of portfolio company financing. Generally, a private investment will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made.

Risks of Early-Stage Venture Capital Investments. While early-stage venture capital investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

#### Item 9 Disciplinary Information

Historic Governmental and Regulatory Matters. The following is a summary discussion of certain governmental investigations and civil litigation involving certain affiliates of Point72, including S.A.C. Capital Advisors, L.P. (“**SAC Advisors LP**”) and S.A.C. Capital Advisors, LLC (“**SAC Advisors LLC**”). Mr. Cohen controls both SAC Advisors LP and SAC Advisors LLC, but neither entity provides investment advisory or other services to the Point72 Funds.

On November 20, 2012, the SEC filed a civil complaint (the “**CRI Complaint**”) against CR Intrinsic Investors, LLC (“**CR Intrinsic**”), an affiliate of SAC Advisors LP, as well as against a former employee of CR Intrinsic and a

doctor, in federal court in the Southern District of New York, alleging that CR Intrinsic traded in the securities of two issuers during July 2008, on the basis of material nonpublic information in violation of U.S. securities laws. On the same day, the United States Attorney's office for the Southern District of New York (the "**SDNY Office**") unsealed a criminal complaint against the former CR Intrinsic employee. On March 15, 2013, CR Intrinsic, as defendant, and certain of its affiliates, as relief defendants, agreed to settle the SEC's claims against CR Intrinsic as set forth in the CRI Complaint by executing a consent to the entry of judgments by the court without admitting or denying the charges set forth in the CRI Complaint. CR Intrinsic paid disgorgement, interest and a penalty of approximately \$602 million and is permanently restrained and enjoined from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. On February 6, 2014, the former CR Intrinsic employee was convicted of two counts of securities fraud and one count of conspiracy to commit securities fraud. This former employee has appealed the conviction. On August 23, 2017, the United States Court of Appeals for the Second Circuit affirmed the conviction, but the Second Circuit has extended the time to seek rehearing *en banc*.

Subsequent to the filing of the CRI Complaint, multiple class action complaints were filed by purported shareholders of the relevant issuers (Elan and Wyeth) referenced in the CRI Complaint against, among others, SAC Advisors LP, CR Intrinsic, Mr. Cohen and certain affiliates of SAC Advisors LP, which complaints were subsequently consolidated and amended. The consolidated amended complaint asserted claims under Section 10(b), 20(a) and 20A of the Exchange Act, repeated the allegations contained in the CRI Complaint, and included a longer period of alleged improper trading. The consolidated complaint additionally alleged violations of the Racketeering Influenced and Corrupt Organization Act ("**RICO**") and repeated the allegations contained in the SAC Manager Indictment (discussed below). On April 28, 2015, the court dismissed the RICO claims in their entirety. On September 30, 2016, the court approved a stipulation of settlement between the Wyeth shareholders described in the consolidated complaint (the "**Wyeth Lead Plaintiffs**") and SAC Advisors LP, CR Intrinsic, Mr. Cohen and the affiliates of SAC Advisors LP and dismissed all claims asserted against them by the Wyeth Lead Plaintiffs. On May 12, 2017, the court approved a stipulation of settlement between the Elan shareholders described in the consolidated complaint (the "**Elan Lead Plaintiffs**") and SAC Advisors LP, CR Intrinsic, Mr. Cohen and the affiliates of SAC Advisors LP and dismissed all claims asserted against them by the Elan Lead Plaintiffs, thereby resolving the consolidated action in its entirety. The Elan Lead Plaintiffs dismissed all claims against Mr. Cohen in an order that was separate from the order settling the consolidated action.

On March 15, 2013, the SEC filed a civil complaint (the "**Sigma Complaint**") against Sigma Capital Management, LLC ("**Sigma Management**"), an affiliate of Point72, alleging that Sigma Management traded in the securities of two issuers during May 2008, August 2008, May 2009 and August 2009, on the basis of material nonpublic information in violation of U.S. securities laws. On the same day, Sigma Management, as defendant, and certain of its affiliates, as relief defendants, settled the SEC's claims against Sigma Management as set forth in the Sigma Complaint by executing a consent to the entry of judgments by the court without admitting or denying the charges set forth in the Sigma Complaint. Sigma Management paid disgorgement, interest and a penalty of approximately \$14 million and is permanently restrained and enjoined from violating Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. Separately, the portfolio manager and analyst of Sigma Management were charged with securities fraud in connection with the trading that is the subject of the Sigma Complaint. However, after the portfolio manager was found guilty and the analyst pled guilty, the court entered orders of nolle prosequi dropping the charges against both employees.

On July 19, 2013, the SEC instituted an administrative proceeding against Steven A. Cohen pursuant to Section 203(f) of the Investment Advisers Act of 1940 (the "**Advisers Act**") alleging that Mr. Cohen failed to reasonably supervise (i) an employee of CR Intrinsic in connection with the trading that was the subject of the CRI Complaint and (ii) a portfolio manager of Sigma Management in connection with the trading that was the subject of the Sigma Complaint. On January 8, 2016, the SEC issued an order ("**SEC Order**") accepting an offer of settlement from Mr. Cohen related to the alleged failure to supervise the employee of CR Intrinsic. The SEC did not pursue the allegations related to the portfolio manager of Sigma Management after his conviction was overturned. Pursuant to the settlement, Mr. Cohen neither admitted nor denied the findings of the SEC in the order, and no fine or monetary penalty was imposed. The SEC Order required any investment adviser, family office or broker-dealer owned or controlled by Mr. Cohen to, for a limited period of time, retain an independent consultant and adopt such consultant's recommendations and submit to on-site SEC examinations. Further, the SEC Order prohibited Mr. Cohen from being associated in a supervisory capacity with any investment adviser, broker or dealer until December

31, 2017. The SEC Order does not prohibit or otherwise restrict Mr. Cohen's supervisory activities from and after January 1, 2018, including in respect of Point72.

On July 25, 2013, SAC Advisors LP, SAC Advisors LLC, CR Intrinsic and Sigma Management (collectively, the "**SAC Manager Defendants**") were charged in an indictment (the "**SAC Manager Indictment**") with one felony count of wire fraud in connection with the obtainment at various times from 1999 through 2010 of material nonpublic information for the purpose of executing securities transactions based on that inside information and each SAC Manager Defendant was separately charged with a felony count of securities fraud in connection with obtaining and trading on material nonpublic information at various times ranging from 1999 through 2010. Also on July 25, 2013, in connection with the SAC Manager Indictment, the U.S. Department of Justice initiated a civil action (the "**SAC Civil Forfeiture Action**") alleging that (1) all of the assets of the SAC Manager Defendants and certain of the funds managed by the SAC Manager Defendants constitute property involved in financial transactions involving proceeds of unlawful activity and a conspiracy to undertake such transactions and (2) the SAC Manager Defendants engaged in money laundering by engaging in transactions involving profits obtained from the unlawful activities set forth in the SAC Manager Indictment.

On November 1, 2013, the SDNY Office and the SAC Manager Defendants reached a proposed resolution of the allegations in the SAC Manager Indictment and the SAC Civil Forfeiture Action (the "**Resolution**"), which was subsequently approved by the court. As contemplated by the Resolution, the SAC Manager Defendants pleaded guilty to the allegations of felony wire fraud and felony securities fraud in the SAC Manager Indictment and the court accepted the SAC Manager Defendants' plea. The Resolution required the SAC Manager Defendants to pay a \$900 million fine in connection with the SAC Manager Indictment and a forfeiture of \$284 million in connection with the settlement of the SAC Civil Forfeiture Action, which have both been paid. The SAC Manager Defendants and certain affiliates thereof retained a compliance consultant approved by the SDNY Office to evaluate and report on the insider trading compliance procedures of such entities.

On June 27, 2014, as contemplated by the Resolution, SAC Advisors LP and its affiliated registered investment advisers (collectively, the "**Registered SAC Advisers**") agreed with the SEC to the entry of an administrative order against the Registered SAC Advisers. In compliance with the order, the Registered SAC Advisers ceased acting as "investment advisers" under the Advisers Act and Mr. Cohen ceased to be substantively involved in the management of investments by the Registered SAC Advisers.

On September 16, 2014, the CFTC issued an order accepting an offer of settlement from SAC Advisors LP and SAC Advisors LLC. The CFTC had alleged that the registrations of SAC Advisors LP and SAC Advisors LLC as commodity trading advisers and commodity pool operators with the CFTC were subject to statutory disqualification as a result of the guilty plea entered in resolution of the SAC Manager Indictment. The order provides that the CFTC registrations of SAC Advisors LP and SAC Advisors LLC are revoked.

On August 16, 2016, the CFTC issued an order ("**CFTC Order**") accepting an offer of settlement from Mr. Cohen. The CFTC alleged that Mr. Cohen was subject to statutory disqualification under Section 8a(4) of the Commodity Exchange Act based on Mr. Cohen's consent to the SEC Order finding that he failed to reasonably supervise another person who was subject to his supervision in connection with the trading that was the subject of the CRI Complaint. The CFTC Order prohibited Mr. Cohen from engaging in any activity requiring registration with the CFTC or acting as an officer or employee of any person restricted with the CFTC through December 31, 2017. The CFTC Order does not prohibit or otherwise restrict Mr. Cohen's activities from and after January 1, 2018, including in respect of Point72.

The SAC Manager Defendants have borne the costs (including disgorgement of profits and other penalties) related to the specific matters described under this "Historic Governmental and Regulatory Matters" sub-heading. The SAC Manager Defendants have not sought and will not seek, indemnification of such costs from the Point72 Funds with respect thereto. Subsequent to the payment of such costs, the SAC Manager Defendants were dissolved or merged with and into other entities.

Civil Litigation. On July 26, 2006, Fairfax Financial Holdings Ltd. and Crum & Forster Holdings Corp. (collectively, "**Fairfax**") sued the General Partner, SAC Advisors LLC, Sigma Management, certain funds advised by Point72, Mr. Cohen (collectively, the "**SAC Fairfax Defendants**") and others in Superior Court, Morris County,

New Jersey. Fairfax sought approximately \$6 billion in compensatory damages, as well as punitive and treble damages, and alleged violations of New Jersey's racketeering statute and a variety of common law claims. Fairfax alleged that in order to benefit from short sales of the stock of Fairfax, the defendants participated in an alleged scheme to, among other things, manipulate the price of the stock through disparagement of Fairfax's business and prospects. After fact discovery was completed, the SAC Fairfax Defendants moved for summary judgment on May 6, 2011. By order dated September 12, 2011, the court granted the motion and dismissed the SAC Fairfax Defendants from the case. On October 26, 2012, following entry of final judgment in favor of all defendants, Fairfax filed a Notice of Appeal appealing from various adverse judgments in the case, including the court's granting of summary judgment in favor of the SAC Fairfax Defendants. In April 2017, the Appellate Division, inter alia, affirmed orders dismissing certain defendants, but reversed the dismissal of the SAC Fairfax Defendants, and remanded for further proceedings. The parties subsequently filed petitions for certification with the New Jersey Supreme Court, which were denied. On December 7, 2017, the SAC Fairfax Defendants filed a motion for summary judgment for lack of personal jurisdiction. By order dated March 29, 2018, the court granted the SAC Fairfax Defendants' motion. Fairfax proceeded to trial against the Exis Companies and certain individuals and obtained a jury verdict, subsequently amended by order of the court, for compensatory damages of \$5,464,000 and punitive damages of \$3 million against the Exis Companies. Once the court enters final judgment in the case, Fairfax may choose to appeal this decision after adjudication of their claims against the remaining defendants, including the decision dismissing the SAC Fairfax Defendants for lack of personal jurisdiction.

SAC Advisors LLC, its affiliates, and its successors have, and will, bear the costs related to the specific matters described under this "Civil Litigation" sub-heading. SAC Advisors LLC, its affiliates, and its successors have not sought and will not seek, indemnification of such costs from the Point72 Funds with respect thereto.

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

##### *Commodity Pool Operators/Commodity Trading Advisors*

Point72 is registered with the CFTC as a Commodity Pool Operator and a Commodity Trading Advisor and is a member of the National Futures Association.

##### *Other Investment Advisers*

Point72, either directly or indirectly, controls, or is under common control with, the following Relying Advisers:

- Cubist Systematic Strategies, LLC, a Delaware limited liability company operating in the United States
- Point72 Hong Kong Limited, a company organized in Hong Kong, and operating in Hong Kong and Australia
- Point72 Japan Limited, a company organized in Hong Kong and operating in Japan
- Point72 Asia (Singapore) Pte. Ltd., a company organized and operating in Singapore
- Point72 Europe (London) LLP, a limited liability partnership registered in England and Wales
- Point72 France SAS, a société par actions simplifiée organized in France
- CPV Partners, LLC, a Delaware limited liability company operating in the United States
- Point72 Ventures, LLC, a Delaware limited liability company operating in the United States

Each of the Relying Advisers is involved in identifying and monitoring investments recommended or made on behalf of one or more of the Point72 Funds. The extent of such participation varies, and these Relying Advisers conduct no other investment advisory activities. In particular, each of CPV Partners, LLC and Point72 Ventures, LLC only manages its respective Point72 Funds, as further described in Item 8 above.

As further described above in Item 8, Point72, a Point72 Fund or their respective affiliates may invest capital with an unaffiliated manager or an unaffiliated investment entity and, in consideration for such investment, may receive an economic interest in the unaffiliated managers managing such unaffiliated investment entities or their affiliates. An ownership interest or revenue sharing right held by Point72 or its affiliates (excluding a Point72 Fund) in an unaffiliated manager will create a conflict of interest if a Point72 Fund has allocated capital to be managed by the

unaffiliated manager because the Point72 Fund's capital will benefit Point72's (or its affiliate's) investment in or with the unaffiliated manager.

#### *Sponsors of Limited Partnerships*

Point72 Capital Management, LLC serves as the General Partner to certain of the Point72 Funds and is affiliated with Point72.

#### *Pooled Investment Vehicles*

Point72 serves as the investment adviser to the Point72 Funds, each of which is a pooled investment vehicle.

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

#### *Code of Ethics and Personal Trading*

Point72 has adopted a code of ethics in accordance with Rule 204A-1 under the Advisers Act and each non-U.S. Relying Adviser has adopted a code of ethics taking into account modifications as required by local laws or regulations (all such codes of ethics collectively, the “**Code**”).

The Code sets out standards of business and personal conduct for each Point72 Employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. For purposes of the Code, “**Employee**” means any officer, member, partner, employee and personnel of Point72 that is subject to the Code. The policies and procedures set forth in the Code recognize that an investment adviser is in a position of trust and confidence with respect to its clients.

The Code includes a code of conduct which requires Employees to (i) abide by standards of ethical conduct in their relationships with each other, Point72 Funds, Point72 investors, competitors, and the public; (ii) adhere to standards with respect to any potential material conflicts of interest with Point72 Funds; and (iii) preserve the confidentiality of information that they may obtain in the course of Point72's business and use such information properly and not in any way adverse to the interests of any Point72 Funds, subject to the legality of using such information.

The Code also includes a personal securities investment and reporting policy. This policy, among other things, restricts an Employee's ability to engage in certain personal securities transactions without the prior consent of the Employee's personal trade supervisor or, if applicable, the Employee's designated compliance officer, and requires reporting of any such transactions.

The Code restricts Employees' ability to conduct activities outside the firm and places limits on the value of gifts that may be received and/or given by Employees.

Upon request of a client, Point72 will provide a copy of its code of ethics.

#### *Participation or Interest in Client Transactions*

Point72, its affiliates, persons in a control relationship with Point72 (such as an investment vehicle where more than 25% of the beneficial owners are Point72 or its employees), or their principals or employees have and may from time to time in the future effect transactions as a principal with a Point72 Fund. Prior to engaging in any principal transaction and to the extent required by applicable law, Point72 seeks the approval of a Point72 Fund's Board, Advisory Committee, or sub-committee thereof, which may approve or disapprove such principal transaction.

A cross trade, which is a coordinated purchase of a security on behalf of one Point72 Fund and a sale of the same security on behalf of another Point72 Fund at the same time, will only be undertaken when it is determined that it is in the interest of the participating Point72 Funds. Point72 may, but is not required to, except to the extent required by applicable law, submit such cross trade to a Board, an Advisory Committee or a sub-committee thereof for pre-approval. The firm does not receive a commission on any cross trade.



Point72, its affiliates and their principals and employees have established, and may in the future establish, advise, or be affiliated with, other accounts that may engage in the same or similar businesses as the Point72 Funds and may use the same or similar investment strategies. Point72, its affiliates and their principals and employees may own all or a portion of such other account.

Point72, its affiliates and their principals and employees may trade securities and commodity interests for their own accounts, including securities and commodity interests of the type held by or considered for investment by a Point72 Fund's accounts. The records of such proprietary trading are confidential and will not be available for inspection by a Point72 Fund or its investors. Point72, its affiliates and their principals and employees may from time to time take positions in their proprietary accounts that are opposite the positions taken for, or held by, the Point72 Funds' accounts at the same time.

In addition, Point72, its affiliates and their principals and employees may invest in securities or other obligations, or may establish joint ventures or other strategic relationships. These investments are made through accounts which are not managed by Point72 but in which a principal or employee of Point72 or an affiliate of Point72 may have a financial interest.

Point72, its affiliates and their principals and employees may invest, directly or indirectly, in Point72 Funds and other accounts advised by Point72, its affiliates and their principals and employees. The terms of investment, including economic and liquidity terms, applicable to such investors may be more favorable than the terms applicable to the investors in a Point72 Fund, and the investors will not be provided with notice of such terms or an opportunity to invest on such terms.

## Item 12 Brokerage Practices

### *Selecting or Recommending Broker-Dealers*

In choosing brokers and dealers, Point72 is not required to consider any particular criteria. Point72 seeks "best execution" of transactions measured over time. What constitutes "best execution" and determining how to achieve it involves many factors, including subjective factors. In evaluating whether a broker or dealer will provide best execution, Point72 considers a range of factors.

### *Prime Brokerage, Custody, Clearing and Settling*

Point72 obtains custodial, clearing and related services through what are known as "prime brokerage" arrangements. Under such arrangements, a brokerage firm (a "**Prime Broker**") maintains custody of certain of a Point72 Fund's assets, provides loans against cash or securities held by such Prime Broker as margin, locates securities to borrow to facilitate short sales, and provides related services, but allows such Point72 Fund to execute trades through other brokers. This permits Point72 to seek valuable research and to compare execution quality and commission rates from many brokers, while minimizing custodial relationships (and related fees) by using a Point72 Fund's Prime Broker(s). A Point72 Fund may use the services of multiple Prime Brokers. Point72 may, at its sole discretion, change a Point72 Fund's Prime Brokers, alter the terms of a prime brokerage arrangement, or make alternative arrangements for services currently provided by Prime Brokers.

### *Research and Other Soft Dollar Benefits*

In the ordinary course of its operations, Point72 may direct trades to certain brokers in exchange for "soft dollar" services or products that flow to Point72, its affiliates or their clients including the Point72 Funds. Point72 may cause some or all of these expenses to be paid using "soft dollars." Section 28(e) of the Exchange Act recognizes the potential conflict of interest involved in this activity but protects investment managers such as Point72 from claims that the activity involves a breach of fiduciary duty to advisory clients, even if the brokerage commissions paid are higher than the lowest available, if certain conditions and requirements are met. To be protected under Section 28(e), Point72 must, among other things, determine that commissions paid are reasonable in light of the value of the brokerage and research products and services acquired. Section 28(e)'s "safe harbor" protects the use of the Point72 Funds' soft dollars even when Point72 uses brokerage and research products and services, received in return for commissions paid by the Point72 Funds, to benefit clients of Point72 or its affiliates other than the Point72

Funds. In addition, soft dollars generated by a portfolio manager of a particular Point72 Fund may be used by another portfolio manager for the same or a different Point72 Fund or other client account. Point72's current policy provides that the use of "soft dollars" to pay for research products or services will fall within the safe harbor created by Section 28(e). Point72 may, however, in the future, use "soft dollars" to pay for products or services outside of the safe harbor created by Section 28(e). To the extent that any such arrangements are deemed to fall outside the parameters of Section 28(e), Point72 will remain subject to its fiduciary duty to act in good faith and in the best interest of the Point72 Funds, as well as to follow Point72's own policies and duty to seek "best execution" on behalf of the Point72 Funds.

The types of "research" that Point72 may acquire include, but are not limited to, the following:

- reports on or other information about particular companies or industries;
- economic surveys and analyses;
- consulting services regarding products, technologies, issuers or industries;
- recommendations as to specific securities;
- non-mass-marketed financial publications (delivered in hard copy or electronically);
- financial database software and services;
- data services (including services providing market data, news data, company financial data, certain valuation and pricing data and economic data);
- pre-trade and post-trade analytics, software and other products that generate market research, including research on optimal execution venues and trading strategies;
- advice from brokers-dealers on order execution, including advice on execution strategies, market color and the availability of buyers and sellers (and software that provides such market research);
- advice and input from brokers-dealers or independent research providers regarding investment recommendations related to electronic "alpha capture" systems;
- the portion of proxy analysis services that are reports and analyses regarding issuers and industries (but not the portion used to vote proxies); and
- other products or services in the categories listed in Section 28(e), regulations thereunder or SEC interpretations that enhance Point72's investment decision making.

"Brokerage" products and services (beyond typical execution services) include, but are not limited to, the following: (i) trading software used to route orders to market centers; (ii) software that provides algorithmic trading strategies; (iii) software used to transmit orders to direct market access systems; (iv) connectivity services between Point72 and an executing broker (including dedicated lines between Point72's order management system and the executing broker, lines between the executing broker and order management systems operated by third parties, and message services used to transmit orders to brokers for execution of Point72 Fund transactions); and (v) short-term custody of funds and securities relating to effecting, clearing and settling particular transactions.

Brokers and dealers from which Point72 obtains soft dollar services or products generally establish "credits" based on past transactional business (including markups and markdowns on principal transactions, such as transactions with market-makers for NASDAQ securities), which may be used to pay or reimburse Point72 for specified expenses. In some cases the process is less formal; a broker or dealer simply may suggest a level of future business that would fully compensate the broker or dealer for services or products it provides. A Point72 Fund's actual transactional business with a broker-dealer may be less than the suggested level but can, and often will, exceed that level, and credits established may exceed the amounts used to acquire products and services. This may be in part because a Point72 Fund's investment activities generate aggregate commissions in excess of the levels of future business suggested by all brokers and dealers who provide products and services. In addition, it may be in part because those brokers and dealers may also provide superior execution and may therefore be most appropriate for particular transactions. Point72 may ask a broker or dealer who is executing a transaction to "step out" of a portion of the transaction in favor of a broker or dealer who has provided or is willing to provide products or services for soft dollars. That is, the executing broker or dealer will allow a portion of the overall commissions or other

compensation to be paid to the soft-dollar broker-dealer. This assists Point72 in acquiring products and services with soft dollars while continuing to seek best execution.

These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. Except in the case of certain “riskless principal” transactions in NASDAQ securities, for which the Section 28(e) safe harbor is available, the safe harbor is not available for transactions effected on a principal basis, such as most transactions with market-makers in over-the-counter equity and debt securities where the dealer is compensated through a mark-up, markdown or other differential over the price it might itself obtain in its own purchases or sales in the market. Point72 may nonetheless use such dealer compensation as soft dollars with which to acquire products and services of the kinds described above.

#### *Directed Brokerage*

Point72 determines the selection of particular broker-dealers for securities transactions of a Point72 Fund subject to Point72’s policy to seek best execution for such transactions. Point72 does not recommend, request or require that a Point72 Fund direct it to execute transactions through a specified broker-dealer, nor does Point72 permit a Point72 Fund to direct brokerage.

#### *Aggregation of Client Orders*

Point72 may combine orders on behalf of a Point72 Fund with orders for other accounts for which it or its principals have investment authority, or in which it or its principals have an economic interest. In such cases, Point72 will allocate the securities or proceeds arising out of those transactions (and the related transactional expenses) on an average-price basis among the various participants. Point72 believes combining orders in this way will, over time, be advantageous to all participants. The average price, however, could be less advantageous to a Point72 Fund than if the Point72 Fund had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Point72’s interest in the Point72 Funds, there may be circumstances in which a Point72 Fund’s transactions may not, under certain laws and regulations, be combined with those of some of Point72’s and its affiliates’ other clients, and a Point72 Fund may obtain less advantageous execution than such other clients.

#### *Trade Errors*

In the course of carrying out investment activities on behalf of a Point72 Fund, trade errors may occur. It is Point72’s general policy that a Point72 Fund will be responsible for any loss resulting from a trade error, except for a loss arising from the gross negligence of Point72.

#### Item 13 Review of Accounts

As part of Point72’s risk management process, Point72 will periodically monitor the composition of a Point72 Fund’s portfolio and makes adjustments based on a variety of systematic and subjective assessments. Point72’s risk management team will primarily be responsible for this monitoring.

Point72 Funds typically provide in writing to investors audited annual financial statements, periodic unaudited performance reports, and, for U.S. Funds, tax information relating to their investment in the Point72 Fund necessary for U.S. federal income tax purposes. Other information may be provided as agreed upon with a Point72 Fund or an investor.

#### Item 14 Client Referrals and Other Compensation

Point72 does not participate in arrangements with non-clients that result in Point72 receiving an economic benefit for providing investment advice or other services to its clients. Point72 does not currently compensate any person for client referrals.

#### Item 15 Custody

Point72 may be deemed to have custody, as defined in Rule 206(4)-2 under the Advisers Act, of funds or securities of a Point72 Fund. Point72 relies on the “audit exemption” under Rule 206(4)-2(b)(4) under the Advisers Act,

which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle.

#### Item 16 Investment Discretion

Point72 has discretionary authority to manage the securities portfolios of the Point72 Funds pursuant to the investment management agreements with the Point72 Funds, which customarily do not place limitations on Point72's authority to manage a Point72 Fund's portfolio.

#### Item 17 Voting Client Securities

Point72's policy is to vote or abstain from voting proxy proposals, amendments, consents, or resolutions (collectively, "**proxies**") on behalf of accounts managed by Point72 (each, a "**Point72 Account**") generally in accordance with the recommendations of a proxy voting service provider (the "**Proxy Service Provider**"), which is an unaffiliated, third-party proxy voting advisory firm that specializes in providing proxy voting services to institutional investment managers. Point72 does not, however, follow the Proxy Service Provider's recommendation in all instances. Point72 retains the discretion in certain instances to vote contrary to the Proxy Service Provider's recommendation or abstain from voting if Point72, through its Proxy Committee determines that the vote or abstention to vote is consistent with the investment thesis or otherwise in the Point72 Account's interests. Point72 will annually review its voting practices, including when the Proxy Committee votes contrary to the Proxy Service Provider's recommendation or abstains from voting.

Potential conflicts of interest may arise due to a variety of reasons that could affect how Point72 votes proxies. The Proxy Committee attempts to minimize material conflicts of interest by utilizing recommendations from the Proxy Service Provider. In instances where a portfolio manager decides to vote contrary to the Proxy Service Provider's recommendation or abstain from voting, Point72 will review the vote for any potential conflicts of interest.

Upon request of a client, Point72 will provide a copy of its proxy voting policies and procedures and provide information regarding how proxies have been voted.

#### Item 18 Financial Information

Point72 does not require the payment of fees or other compensation six months or more in advance. There exists no financial condition of which Point72 is currently aware that would impair Point72's ability to meet contractual commitments to its clients. Point72 has not been the subject of a bankruptcy petition within the past 10 years.

#### Item 19 Requirements for State-Registered Advisers

This Item is not applicable to Point72.