

TWO SIGMA VENTURES, LP

March 2020

This brochure provides information about the qualifications and business practices of Two Sigma Ventures, LP. If you have any questions about the contents of this brochure, please contact Two Sigma Ventures, LP at (212) 625-5700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

Two Sigma Ventures, LP
100 Avenue of the Americas, 3rd Floor
New York, NY 10013
Tel: (212) 625-5700
Fax: (212) 625-5800
Website: www.twosigmaventures.com

Important Note about this Brochure

This brochure is not:

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

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

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

Item 2. Material Changes

This brochure dated March 30, 2020 has been prepared by the Adviser as an amendment to the prior version of its brochure dated March 29, 2019. This annual amendment is being filed along with the Adviser's annual update to Form ADV Part 1A to provide certain general informational updates as to aspects of the Adviser's operations. There have been no material changes to this brochure.

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Item 4. Advisory Business

A. General Description of the Adviser

Two Sigma Ventures, LP is a Delaware limited partnership which was formed in 2017 (“TSV”). TSV’s principal place of business is located in New York, NY. TSV commenced operations as an investment adviser during the third quarter of 2018. TSV conducted business as a division of Two Sigma Investments, LP (“TSI”) from 2012 until commencing operations as a separate adviser in 2018. Two Sigma Management, LLC is the general partner of TSV. John A. Overdeck, David M. Siegel and trusts established by them (and for which they serve as trustees) are principal owners of TSV.

TSV is affiliated with TSI, a Delaware limited partnership, which is an investment adviser registered with the SEC since August 2009, and Sightway Capital, L.P., which is an investment adviser registered with the SEC since January 2018, as well as several other investment advisers and other related companies.

In providing services to its clients, TSV is affiliated with entities that serve as the general partners and/or managing members (collectively, along with TSV, the “Adviser”) to certain of its Clients (as defined below). Such entities are relying upon TSV’s registration under the Investment Advisers Act of 1940 in accordance with SEC guidance. Currently, the Adviser includes Two Sigma Private Investments, LLC, Two Sigma Ventures III GP, LLC and Two Sigma Ventures Co-Invest GP, LLC, each of which acts as a general partner or managing member to an investment fund.

B. Advisory Services

The primary activities of the Adviser are the provision of investment advisory services to investment funds (the “Funds”) privately offered to qualified investors (the “Investors”), including financial institutions, public and corporate pension funds, endowments, and foundations in the United States and elsewhere (each such Fund, including any Fund that has been capitalized with substantial investments by partners, principals, employees and other affiliates, in each case, of the Adviser or its affiliated entities, collectively referred to herein as “Clients”).

The Adviser provides advice to Clients regarding venture capital investments, including negotiated transactions in operating entities (generally referred to herein as “portfolio companies”) that utilize advanced science, technology, computing, engineering, and/or mathematics to innovate in their selected market, in which the Adviser believes that its expertise and experience provide an edge in the sourcing, evaluation and/or strategic advising and operations of such companies. The Adviser’s investment advisory services consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of portfolio companies, it is anticipated that the senior principals or other personnel of the Adviser or its affiliates may generally serve on such portfolio companies’ respective boards of directors or otherwise act to exert influence or control over the management, operations or other business activities of portfolio companies in which the Clients have invested.

The scope of the Adviser’s advisory services to each Client will be detailed in the applicable private placement memorandum or other offering documents, investment management agreements, advisory agreement, limited partnership, limited liability company or other operating agreements or governing documents (collectively, the “Governing Documents”) and are further described below under “*Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.*”

In performing investment advisory services for its Clients, the Adviser has an arrangement with TSI and other entities affiliated with the Adviser (referred to herein collectively as the “**Two Sigma Affiliates**”) to provide advisory personnel and services with respect to certain investments made by such Clients. The advisory services of the Two Sigma Affiliates are described herein. Such advisory personnel will generally provide advice on the review and diligence of potential investments and for other types of support after an investment has been made. TSI will also provide (i) certain services (including legal, compliance and operations), (ii) other administrative services, infrastructure and shared office space, and (iii) the services of shared employees who will be jointly employed by the Adviser and TSI. Such shared employees will be under the direction and supervision of the Adviser in the performance of their duties related to the Adviser. In addition, the Adviser may hire certain employees that are not employees of TSI.

As the investment adviser to a Fund, the Adviser is subject to the investment objectives, guidelines, and any investment restrictions described in the relevant Governing Documents for the relevant Client and generally not tailored to the needs of individual Investors in the vehicle. The Adviser will generally enter into side letters or other similar agreements with certain Investors of Funds that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Governing Documents.

Additionally, from time to time and as permitted and governed by a Client’s Governing Documents, the Adviser may provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) that it controls to certain Investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, the Adviser’s personnel and/or certain other persons associated with the Adviser and/or its affiliates (*e.g.*, a vehicle formed by the Adviser’s or the Two Sigma Affiliates’ principals) on terms it deems appropriate, but will be under no obligation to provide such opportunities. The Adviser may allocate such available investment opportunities among its Clients, Investors, any co-investors, its affiliates and/or other persons associated with the Adviser and any third parties as it may determine in its sole discretion. The terms of a co-investment may differ from those of a Client, including with respect to the payment of management fees, carried interest and expenses and may include preferential terms and conditions offered only to one or more co-investors. Expenses incurred in connection with any investment that contains a co-investment will generally be allocated among the participating Client and any co-investors on the basis of capital committed to each of the relevant investments or as otherwise set forth in a Client’s Governing Documents. The Adviser shall, in its sole discretion, be authorized to structure any co-investment opportunity such that the co-investors do not bear any expenses in connection with unconsummated transactions. For more information relating to co-investments and the potential conflicts of interest relating to such transactions, please see “**Item 8. Methods of Analysis, Investment Strategies & Risk of Loss – F. Conflicts of Interest**” in this Brochure.

The descriptions set forth in this Brochure of specific advisory services that the Adviser offers to Clients, and investment strategies pursued and investments made by the Adviser on behalf of its Clients, should not be understood to limit in any way the Adviser’s investment or other activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Adviser considers appropriate, subject to each Client’s investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of any invested capital. There can be no assurance that the investment objectives of any Client will be achieved.

All discussions of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, the fees and other costs associated with an investment in the Clients, the risks associated with making an investment in the Clients, and conflicts faced by the Adviser in connection with managing the Clients are qualified in their entirety by reference to each Client’s respective Governing Documents.

C. Wrap Fee

The Adviser does not provide advisory services under wrap fee programs.

D. Assets Under Management

As of December 31, 2019, the Adviser has assets under management equal to \$636,180,556, all of which are managed on a discretionary basis.¹

¹ *The Assets under Management provided here and in Item 5F of Form ADV Part 1A are partially calculated using estimates.*

Item 5. Fees & Compensation

Subject to the terms of the relevant Governing Documents of a Client, the Adviser generally receives a management fee or other asset-based fee (“**Management Fee**”) and/or incentive-based compensation, which may be in the form of a fee or an allocation based on realized profits (the “**Carried Interest**”). Management Fees, Carried Interest and expenses charged to a Client are subject to negotiation and adjustment, and the description below is not intended to be exhaustive.

The Adviser may share any compensation it receives, in whole or in part, with any other person, including Two Sigma Affiliates and service providers to a Client.

A. Asset-Based Compensation

As described further in the relevant Governing Documents, the Adviser generally receives an annual Management Fee based on a percentage of the Client’s aggregate capital commitments during the investment period (*i.e.*, the period during which a Client may make new investments), and thereafter based on a percentage of capital invested (subject to customary adjustments such as write-downs and write-offs). Management Fees may also be based on a blended rate consisting of a percentage of capital commitments, capital invested or the net asset value of some or all portfolio investments. Management Fees are typically payable quarterly, in advance and range from 1% to 3% per annum. The Adviser (or its affiliates, as applicable) may waive, reduce and/or modify (or calculate differently) the Management Fee for certain Clients and certain Investors in its Funds (including principals and employees of the Adviser or any Two Sigma Affiliates).

If specified in the applicable Governing Documents, Management Fees may be reduced, but not below zero, by certain transaction fees, break-up fees from transactions that are not completed, commitment fees, investment banking fees, termination fees, monitoring or management fees, directors’ fees, consulting fees, advisory fees, closing fees and similar fees, payments or compensation (whether in the form of cash, options, warrants, stock or otherwise) received and retained by the Adviser or any of its affiliates in connection with the relevant Client’s portfolio investments, in each case net of all applicable taxes and directly related expenses not reimbursed by the relevant Client. If specified in the applicable Governing Documents, in certain circumstances Management Fees may not be offset against amounts (i) paid in consideration for office space provided by an affiliate of the Adviser or reimbursement for other office-related costs and expenses incurred in providing incubation support or services to a Fund’s portfolio company and (ii) paid to a Two Sigma Affiliate (which for this purpose excludes funds managed by a Two Sigma Affiliate and their respective portfolio companies) for services provided to a Fund’s portfolio company in the ordinary course of such Fund’s portfolio company’s business, and in the case of clause (ii), solely to the extent that such amounts do not exceed the amounts that would be otherwise payable under an agreement negotiated at arms-length. Please also see “**Other Fees and Expenses**” below.

The Adviser may be paid asset-based compensation of the type referred to in the preceding paragraphs from, on behalf of or with respect to, co-investors in an investment alongside Client(s). The receipt of such fees may not reduce the Management Fee payable by any Client that has also invested in such investment, and as a result, such Client may, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors.

B. Performance-Based Compensation

As described under “**Item 6. Performance-Based Fees and Side-by-Side Management**,” the Adviser is generally entitled to a Carried Interest on realized and/or unrealized profits of a Client’s investment portfolio.

As set forth in a Client's applicable Governing Documents, the Adviser generally will receive a Carried Interest with respect to a Client in the range of 20-30% of all realized and/or unrealized profits on a gross or net basis, which will be allocated to each Investor in a Client, subject to certain limitations. The Carried Interest distributed to the Adviser is generally subject to a potential giveback at the end of the life of a Client if the Adviser has received excess cumulative distributions. The Adviser (or its affiliates, as applicable) may waive, reduce and/or modify (or calculate differently) the performance-based compensation for certain Clients and certain Investors in its Funds (including principals and employees of the Adviser or any Two Sigma Affiliates). The Adviser, in its sole discretion may share all or any portion of the performance-based compensation with respect to any Client with any other person or entity including its affiliates, their personnel or employees. The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of a Client than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation as a better alignment of its interests with those of Investors.

Additionally, as further described herein and in the applicable Governing Documents of each Client, it is the Adviser's practice to retain certain operating partners and/or advisers ("**Operating Partners**") to provide services to (or with respect to) one or more Clients or certain current or prospective portfolio companies in which one or more Clients invest or may invest. Operating Partners generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. Operating Partners include persons affiliated with Two Sigma Affiliates, the Adviser and third parties. The Adviser may agree to provide such Operating Partners with the right to invest in one or more Clients on different terms, a portion of the Carried Interest received by the Adviser, and such other rights or privileges as the Adviser may determine. Operating Partners also generally will be reimbursed for certain travel, entertainment and accommodation expenses and other costs in connection with their services. As described below, no such amounts will offset the Management Fee. The use of Operating Partners subjects the Adviser to conflicts of interest as discussed under "**Conflicts of Interest**" in "**Item 8. Methods of Analysis, Investment Strategies & Risk of Loss**" below.

C. Other Fees and Expenses

In addition to paying investment Management Fees and/or performance-based compensation to the Adviser, Clients typically pay all of their own operating and investment expenses including, but not limited to: (i) all costs, expenses and other obligations attributable to evaluating, sourcing, acquiring, holding, monitoring, disposing of a portfolio investment or a proposed portfolio investment, including, but not limited to, travel, entertainment and accommodation expenses, due diligence expenses (including but not limited to the costs of expert networks, databases, or information services), real property or personal property taxes on investments, broken-deal expenses, fees and expenses of investment advisers and independent consultants incurred in investigating and evaluating investment opportunities, other third-party costs and extraordinary expenses relating to such portfolio investments; (ii) all underwriting, private placement, investment banking, financing, appraisal, filing and other fees and expenses attributable to the portfolio investment or a Client; (iii) all legal, audit and accounting (including expenses associated with the preparation of a Client's financial statements, tax returns and schedules K-1), tax, consulting (including performing operational analyses, establishing best practices at portfolio companies, identifying, diagnosing and addressing operational issues at specific portfolio companies, serving as an executive or similar officer of a portfolio company or subsidiary thereof, serving as a director of a portfolio company or subsidiary thereof, supporting carve-out activities in corporate divestiture investments, and assisting with operational due diligence reviews of prospective investments), financing, insurance (including directors' and officers' insurance, errors and omissions insurance and other similar policies), travel (including entertainment and accommodations), litigation and indemnification costs and expenses attributable to the portfolio investment or the relevant Client; (iv) fees and expenses related to the support of portfolio companies, including, but not limited to, conferences and network gatherings (including travel, entertainment and accommodation

expenses related thereto) and fees and expenses related to advisory, consulting, outsourced human resources and/or marketing services provided to portfolio companies; (v) all costs, expenses and other obligations attributable to the Adviser, the Client's administrator, the Client's custodian and other similar service providers, including costs, expenses and other obligations for services that a limited partner of the Client requires the Adviser to obtain (including in respect of Digital Assets); (vi) all fees, costs and expenses related to regulatory, reporting, licensing or similar matters in any jurisdiction attributable to the Client and the portfolio investments, including without limitation the SEC, the U.S. Commodity Futures Trading Commission (the "CFTC"), the National Futures Association, the Financial Industry Regulatory Authority, Inc. ("FINRA"), the U.S. Internal Revenue Service, the U.S. Treasury and other U.S. national, state, provision or local regulatory authorities or bodies in any country or territory (for example, "blue sky" and "world sky" requirements, Directive 2011/61/EU on Alternative Investment Fund Managers, SEC Form PF, compliance programs, examinations, regulatory inquiries and other regulatory filings or compliance with regulatory requirements, including any depository expenses and registered office filing fees); (vii) all judgments, fines, penalties, interest and settlements associated with all litigation attributable to the portfolio investment or the relevant Client; (viii) all costs, expenses and other obligations attributable to the administration, maintenance and governance of a Client, including with respect to the relevant Client's independent investor representatives (including, without limitation, the Client's advisory committee and its members, if any, including expenses of any such advisory committee meetings and reimbursement of reasonable out-of-pocket costs for the advisory committee members and the Adviser to attend such meetings), reporting (including the preparation and delivery of financial statements, reports or tax returns, including mailing and printing costs or the fees, costs and expenses of establishing and maintaining a secure website or other electronic methods of reporting) and annual and other meetings (not including the individual expenses of the Investors); (ix) all costs, expenses and other obligations associated with hedging; (x) any taxes, fees or other governmental charges levied against the relevant Client; (xi) out-of-pocket expenses of the Adviser for transactions not consummated and for incubation support and similar services described below (subject to the limitations set forth below); (xii) all organizational and offering expenses (as described below); (xiii) without duplication, all other costs and expenses of a nature similar (including with respect to wind-up and liquidation) to those described in clauses (i) through (xii) that are related to the relevant Client and its portfolio investment. This list is general in nature and not exhaustive, and is subject to additional expenses or modifications to the above expenses, as described in the Client's Governing Documents, such as expenses related to incubation support and similar services. As a matter of practice, the Adviser will, generally, advance amounts for expenses and receive reimbursement from the applicable Client.

Typically, a Client will also bear all or some of the organizational and offering expenses incurred in connection with (i) the formation and qualification of the Client, the Adviser and any other related or affiliated entities, and (ii) offering the interests in the Client, in the case of each of clauses (i) and (ii) above, including (a) travel, entertainment and accommodation expenses and fees and expenses paid or payable to attorneys and accountants in connection with the offering of such interests, (b) registration fees, filing fees and taxes for the relevant Client, the Adviser and any other related or affiliated entities and (c) the costs of qualifying, reproducing, amending, supplementing, mailing and distributing offering materials, including telephone and other communications and transmittal costs. The relevant Client will pay or reimburse the Adviser for any organizational and offering expenses incurred by the Adviser or any of its affiliates on behalf of the Client.

A Client may also bear some proportion of fees and expenses associated with the identification, sourcing, due diligence, analysis and evaluation of investment ideas and opportunities, including opportunities which may be made available to Two Sigma Affiliates and their clients pursuant to the Adviser's policies and procedures. The Adviser will allocate any such fees and expenses in accordance with its policies and procedures.

A Client may also invest in other pooled investment funds or similar structures (“**Underlying Funds**”). As an investor in such Underlying Fund, a Client will itself bear a proportionate share of the organizational, offering and ongoing operating expenses, fees and other asset-based or performance-based compensation of such Underlying Fund. Such expenses, fees and other compensation could be significant. As a result, a Client and indirectly the Investors will bear multiple levels of fees and expenses which, in the aggregate, will exceed the expenses typically incurred by an investment in a single Underlying Fund, and will offset a Client’s profits. In addition, because of fees and expenses payable by a Client, its returns on Underlying Funds will be lower than the returns to a direct investor in the Underlying Funds.

Please refer to Item 8 of this brochure for further discussion of conflicts of interest relating to expenses. Please refer to Item 12 of this brochure for further discussion of the Adviser’s brokerage practices.

Generally, Governing Documents permit the Adviser to exempt certain Investors in the relevant Client from payment of all or a portion of the Management Fee or Carried Interest, including the Adviser, its affiliates and their respective personnel. Any such exemption may be made by a direct waiver or a rebate by the Adviser and/or its affiliates, or through other funds which co-invest with a Client. Principals or other current or former employees of the Adviser or the Two Sigma Affiliates may, indirectly as employees or owners thereof, benefit from Management Fee, Carried Interest or other compensation received by the Adviser or its affiliates indirectly in their capacity as owners or employees. Further as described in “**Item 8. Methods of Analysis, Investment Strategies & Risk of Loss – F. Conflicts of Interest**”, certain Investors (or former Investors) or their affiliates may have a direct or indirect interest in the Adviser or a Two Sigma Affiliate, and therefore, will benefit from Management Fee, Carried Interest or other compensation received by the Adviser or its affiliates.

As is typical for private funds, the relevant Fund will likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “**Item 12. Brokerage Practices.**”

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

A. General

As described under “*Item 5. Fees and Compensation*,” it is expected that the Adviser will receive Carried Interest on certain realized and/or unrealized profits of a Client on a gross or a net basis. The Adviser will generally have the authority to waive, reduce or calculate differently a Carried Interest allocation with respect to certain Investors as described under “*Item 5. Fees and Compensation*.”

The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of the relevant Client than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation as a better alignment of its interests with those of its Investors.

B. Certain Conflicts of Interest Associated with Side-By-Side Management

There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Adviser and the Two Sigma Affiliates, certain of which are described below. The discussion below does not purport to be a comprehensive discussion of all of the conflicts of interest associated with the Adviser and an investment in a Client. The Governing Documents of the relevant Client or other disclosure, as applicable, contain additional information with respect to the actual and potential conflicts associated with an investment in a Client.

The Two Sigma Affiliates (as well as their respective principals and certain personnel) engage in a wide range of investment and other financial activities (advisory and non-advisory), many of which are not offered to all Clients (or Investors therein). The growth of the Adviser and the Two Sigma Affiliates may increase competition between and among Clients, clients of the Adviser’s affiliates and the Adviser’s affiliates themselves, and may decrease the number of investment opportunities available to Clients and clients of the Adviser’s affiliates. Such competition may create inherent conflicts of interest among the Two Sigma Affiliates and the Adviser.

The Adviser and certain Two Sigma Affiliates engage in investment, financial and other activities for themselves on a proprietary basis (including on behalf of personnel of the Adviser and Two Sigma Affiliates) and on behalf of their own clients and third parties (such as strategic investors or other market participants), which may compete or substantially overlap with the investment activities of Clients. This may present a potential conflict of interest with respect to the types of (and degree of participation in) investment opportunities available to Clients, the resources made available to the Adviser (as an affiliate of the Two Sigma Affiliates), the investment recommendations and decisions made by the Adviser for Clients (*e.g.*, disposition, restructuring and recapitalization), and the management of Client assets by the Adviser. For example, it is possible that a Client may be invested in a portfolio company in which a Two Sigma Affiliate already has an interest in a different part of the capital structure. Moreover, Investors and holders of beneficial interests in Two Sigma Affiliates include other participants in the financial services and asset management industry (including persons affiliated with investment advisers, their funds, joint venture partners and clients); Two Sigma Affiliates may also from time to time invest in such Investors (including for this purpose investment funds and other clients managed or advised by such Investors or their affiliates). Such arrangements introduce potential conflicts of interest relative to Investors with whom Two Sigma Affiliates do not have such relationships (or relationships to differing degrees), including without limitation, rights and access to information, investment opportunities and voting/consent issues. As the businesses of the Adviser and the Two Sigma Affiliates evolve, new and other potential conflicts may also arise which

cannot be predicted at this time. The Adviser will adopt and implement policies and procedures to address such potential conflicts when/if they may arise.

The Adviser will generally value the assets held by the Funds and will be responsible for the determination of asset valuations for all purposes, including the determination of the Management Fee and the Carried Interest. If the Adviser determines that the market price does not fairly represent the value of an asset or liability, or that liquidation or third-party market valuations are unavailable to value an asset or liability, the Adviser will value such investment as it, in its sole discretion, reasonably determines. In certain circumstances, a Client may retain third-party service providers in connection with calculating net asset value, capital account maintenance and the independent verification of the calculation of Management Fees and Carried Interest, if any. In addition, the Adviser may, in its sole discretion, engage third-parties to conduct independent valuations of certain liquid or illiquid assets on a periodic basis.

For more information please see “*Conflicts of Interest*” in “*Item 8. Methods of Analysis, Investment Strategies & Risk of Loss*” below.

Item 7. Types of Clients

A. Clients

As noted in “*Item 4. Advisory Business*” above, the Adviser provides advisory services to Clients that are private investment funds, consisting of commingled vehicles and funds of one (which may be organized as domestic or foreign partnerships, corporations, incorporated or unincorporated entities, or other similar entities), corporations, or similar structures. With respect to the Funds advised by the Adviser, investment advice is provided to the relevant Fund and not individually to each of the Investors in the Funds.

The Funds advised by the Adviser generally admit Investors that are either (i) non-U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act of 1933 as amended (the “**Securities Act**”), or (ii) both “accredited investors” as defined in Section 501(a) of Regulation D under the Securities Act and “qualified purchasers” under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The Investors participating in the Funds generally include individuals, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and, directly or indirectly, principals or other employees of the Adviser and the Two Sigma Affiliates, members of their families or other service providers retained by the Adviser. Although participation in a Client by the Adviser, the Two Sigma Affiliates, and their affiliates and personnel will vary from Client to Client, the Adviser expects that such participation will continue and will represent a significant proportion of certain Clients.

The investment minimums and investor eligibility requirements are stated in the respective Client’s Governing Documents. The Adviser has the discretion to waive, reduce or modify the investment minimums, depending on the complexity and nature of the advisory services provided, subject to certain limitations in accordance with applicable law or regulation.

B. Certain Conflicts

Investors should be aware that potential and actual conflicts of interest may occur between Clients, on the one hand, and the Adviser, on the other. Clients and the Investors thereof should evaluate certain potential conflicts of interest carefully before engaging the Adviser’s services. Please also see “*Conflicts of Interest*” in “*Item 8. Methods of Analysis, Investment Strategies & Risk of Loss.*”

The Adviser may give advice or take action with respect to the investments of one or more of its Clients that may not be given or taken with respect to other Clients with similar investment programs, objectives, and strategies. Accordingly, Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. The Adviser also may advise Clients with differing objectives or strategies. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Client. Such advice, recommendations, and dealings may result in adverse consequences to a Client’s investment portfolio.

The conflicting interests of different Clients may relate to or arise from, among other things, the nature of investments, the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to investments that may be more beneficial for one Client than for another Client, especially with respect to Clients’ particular tax situations. By engaging the Adviser, each Client will be deemed to have acknowledged the existence of such actual and potential conflicts of interest.

The Adviser provides investment advisory services to a number of Clients. Certain Clients have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of the Adviser to allocate investment opportunities for Clients fairly and equitably, to the extent possible, over a period of time. The Adviser, however, will have no obligation to purchase, sell or exchange any security or financial instrument for a Client which the Adviser may purchase, sell or exchange for another Client if the Adviser believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for a particular Client.

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

A. General

An investment in any of our strategies involves risk, including the risk that an Investor can lose money. An investment in any of these strategies by itself is not a balanced investment program for purposes of an Investor's portfolio diversification needs. Investors should consult with their financial adviser regarding the appropriateness of an investment in any of these strategies for their overall investment program.

The investment strategies implemented by the Adviser consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments.

The Adviser provides advice to Clients regarding venture capital investments, including negotiated transactions in portfolio companies. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of the Adviser or its affiliates may, in limited circumstances, serve on such portfolio companies' respective boards of directors or otherwise act to exert influence or control over the management, operations or other business activities of portfolio companies in which the Clients have invested.

The following is a summary of material risks that may apply to the Adviser's investment strategies. Please note that certain risks, other than "***Risks related to the Investment Strategies***" and "***General Economic and Market Conditions***", may not apply to all the Adviser's strategies or apply to a material degree. Investors should refer to the applicable Governing Documents that may contain additional or different risk disclosure.

B. Investment Strategies and Related Risks

Risk related to the Investment Strategies. The Adviser provides advice to Clients regarding venture capital investments, including negotiated transactions in portfolio companies that utilize advanced science, technology, computing, engineering, and/or mathematics to innovate in their selected market, in which the Adviser believes that its expertise and experience provide an edge in the sourcing, evaluation, and/or strategic advising on the operation of such companies. However, venture capital investing involves a high degree of business and financial risk that can result in substantial losses including the potential for a loss of an Investor's entire investment in a Client. In order for a Client to succeed, the Adviser must be able to accurately identify potentially successful enterprises, a process which is difficult even for those with extensive experience in the venture capital field and/or extensive experience or expertise in the fields in which such portfolio companies operate. Portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain a competitive position and such additional capital may not be available from any given source in any given case.

Risk Related to General Economic and Market Conditions. General economic or market conditions may adversely affect the performance of the investments in a Client, and reduce the availability of attractive investment opportunities for a Client. Factors affecting economic conditions, including, for example, public market volatility, inflation rates, rising interest rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of a Client, the Adviser or a Client's portfolio companies, can substantially and adversely affect the business

and prospects of a Client and the portfolio companies in which it has invested. A general economic downturn could also result in the diminution or loss of value of the investments made by a Client due to a number of factors, including a reduced demand for the products or services produced by a Client's portfolio companies. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions thereof, may restrict the availability of suitable investment opportunities for a Client and opportunities to liquidate a Client's investments on favorable economic terms, each of which could prevent a Client from meeting its investment objectives. A Client's performance can be affected by deterioration in the capital markets and by market events, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and Investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Client's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Client to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Client to pay break-up, termination or other fees and expenses in the event a Client is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Client to dispose of investments at prices that the Adviser believes reflect the fair value of such investments.

Risk of Venture Capital Investments. All or a substantial portion of a Client's investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. Among these risks are the general risks associated with investing in companies at the growth stage of development or with limited operating history, companies operating at a loss or with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. There generally will be little or no publicly available information regarding the status and prospects of these companies. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. There can be no assurance that the development or marketing efforts of any particular portfolio company will be successful or that its business will be profitable. There also can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Client's activities. As a result, a Client's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Risk of Early-Stage/Start-Up Investments. The portfolio companies may be unseasoned, unprofitable, have no established operating histories or earnings and may lack technical, marketing, financial and other resources. These companies may be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of its manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Although the Adviser may seek to aid or influence certain of its investment companies, a Client will not have an active role in the day-to-day management of the companies in which it invests. To the extent that the management of a portfolio company performs poorly, a Client's investment in such company could be adversely affected. Furthermore, these companies may be more vulnerable to competition and to overall economic condition than larger, more established entities.

In early-stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. There is no assurance that the development efforts of any portfolio company will be successful or, if successful, will be completed within the budget or time period originally estimated. The services and products may also be subject to a high degree of technical obsolescence. There is no assurance that any portfolio company can successfully develop future generations of its services or products. Additional funds may be necessary to complete such development, and there is no assurance that such funds will be available from any particular source. As such, these types of investments involve a high degree of business and financial risk that can result in substantial losses.

Risk Related to Minority Investments. A Client will often make minority investments in portfolio companies, which typically afford investors limited influence over such investments. Such a portfolio company may have economic or business interests or goals that are inconsistent with those of the Adviser, and the Adviser may not be in a position to limit or otherwise protect the value of a Client's investment in the company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect a Client's investments. The Adviser's control over the investment policies of these companies may also be limited.

Risk Related to Intellectual Property. Many portfolio companies in the technology, engineering and advance sciences sectors are highly dependent upon intellectual property rights, both to ensure a company's freedom to operate and/or to foreclose others, but intellectual property rights can be subject to substantial uncertainty and risk. Actual or alleged infringement of another's patents may constrain or entirely foreclose a company's freedom to pursue its business or may impair its economic returns by requiring the payment of royalties. Conversely, the intellectual property upon which a company relies to protect its business may be challenged by third parties. Such challenges may succeed in whole or in part, and even if unsuccessful, may impose a substantial drain on a company's economic and human resources. Intellectual property risks are often difficult to foresee, and, even when these risks are recognized, it can be difficult to assess the potential value or liability associated with intellectual property disputes.

Risk Related to Investments in Restructurings of Portfolio Companies. Although Clients are not generally expected to invest in restructurings or distressed opportunities, portfolio companies in which a Client is invested may in the future experience financial difficulties, need additional infusions of capital, or may become subject to restructuring or bankruptcy proceedings. Restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions. To the extent a Client has exposure to any such restructurings, such investments could, in certain circumstances, subject a Client to certain additional potential liabilities that may exceed the value of its original investment.

Risk Related to Uncertain Market Reaction to Portfolio Companies. The receptiveness of potential acquirers to a Client's portfolio companies will vary over time and, even if a portfolio company investment is disposed of pursuant to a merger, consolidation or similar transaction, a Client's stock, security or other interests in the surviving entity may not be marketable. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Adviser to dispose of a Client's investments and the value of investment securities on the date of sale or distribution by a Client. In particular, the receptiveness of the public market to initial public offerings by a Client's portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, a Client or the portfolio company's securities typically will be subject to contractual "lock-up," securities law or other restrictions which may, for a material period of time, prevent

a Client or Investors therein from disposing of such securities. There can be no guarantee that any investment will result in a liquidity event through a merger, acquisition, public offering or otherwise, and there is a significant risk that some or all of a Client's investments will yield little or no return.

Risk Related to Equity Investments. A principal risk of investing in a Client is equity risk, which is the risk that the value of equity securities held by a Client will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by a Client participate, and the circumstances, financial condition and performance of particular companies whose securities a Client holds. An investment in a Client represents an indirect investment in the securities owned by a Client. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of an investment in a Client may at any point in time be worth less than the original investment.

Risk Related to Leverage. The Adviser may, in limited circumstances, use leverage in pursuing investment opportunities for Clients. While leverage presents opportunities for increasing a Client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment of a Client's account would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to such Client's investments could result in a substantial loss to a Client which would be greater than if such investment was not leveraged.

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

In addition, fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Fund Agreements, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant Fund's general partner's ability to consent to the transfer of a limited partner's interest in the Fund. In addition, in order to secure a subscription line, the relevant Fund's general partner may request certain financial information and other documentation from limited partners to share with lenders. The Fund's general partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the Fund's general partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then

current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant Fund's general partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund may also utilize fund-level borrowing when the Fund's general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

Risk Related to Non-U.S. Investments. A Client may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the terms of a Client), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Client and/or the partners with respect to a Client's income, and possible non-U.S. tax return filing requirements for a Client and/or the Investors therein.

Additional risks of non-U.S. investments include: (1) economic dislocations in the host country; (2) less publicly available information; (3) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (4) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (5) civil disturbances; (6) government instability; and (7) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Risk Related to Publicly Traded Securities. A Client may invest in securities issued by publicly held companies and may hold publicly traded securities following a partial exit from an investment. Such investments subject a Client to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, sensitivity of such companies' securities to movements in the stock market, limitations on the ability of a Client to dispose of such securities, increased

likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members including the Adviser and increased costs associated with each of the aforementioned risks.

Risks Related to Investments with Third Parties. A Client may co-invest in a portfolio company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of a Client or may be in a position to take (or block) action in a manner contrary to a Client's investment objectives.

Risk Related to Restricted Securities. All or substantially all of a Client's investments may consist of securities that are subject to restrictions on resale by such Client because they were acquired in a "private placement" transaction or because such Client is deemed to be an affiliate of the issuer of such securities. Generally, a Client will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, Clients may be deemed to be an "underwriter," or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under that Act. In addition, there can be no assurance that Clients can sell restricted securities at the same trading price as the equivalent securities that are not restricted.

Risk Related to Junior Securities. A Client may invest in securities that are among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Client's investment once made.

Valuation Risk. A Client may invest in early-stage portfolio companies that do not have a clear valuation. In some cases, conventional valuation methods may be inappropriate or impossible to employ. There is no assurance that the valuation obtained by a Client for any given portfolio investment will be at all representative of the ultimate profit or loss obtained by a Client with respect to such investment. There can be no assurance that the Adviser will have all the information necessary to make valuation decisions in respect of these investments, or that any information or valuations provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the Adviser with respect to an investment will represent the value realized by a Client on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the Adviser may cause it to ineffectively manage a Client's investment portfolios and risks, and may also affect the diversification and management a Client's portfolio of investments.

Risk Related to Limitations on Ability to Exit Investments. A Client will generally exit investments in two principal ways: (i) private sales (including mergers with or acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be available to a Client, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Risk Related to Service on Boards of Directors; Director Liability. Certain senior principals or other personnel of the Adviser or Two Sigma Affiliates may serve as directors of certain of a Client's portfolio companies. Such service, especially in light of new statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, could expose a Client or the Two Sigma Affiliates and its members and affiliates to regulatory action and/or claims by a portfolio company, its security holders and its creditors. While the Adviser intends to manage a Client in a way that will minimize exposure to these risks, the possibility of successful claims or adverse regulatory actions cannot be eliminated, and such events may have a significant adverse effect on a Client.

In their capacity as directors, such individuals may become subject to fiduciary or other duties to the portfolio company on whose board they serve, which duties could conflict with and adversely affect a Client. On the other hand, a Client's Governing Documents may not require that a representative of a Two Sigma Affiliate serve as a director of each portfolio company, and accordingly there can be no assurance that the Adviser will have a legal right to influence the management of each portfolio company.

Issuer and non-issuer transactions. Clients may acquire investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, a Client will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that a Client must pay to acquire securities in a non-issuer transaction will exceed the price that a Client would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that a Client will accede to the same rights (e.g., information, voting and right of first refusal) as the selling shareholder.

C. Other Risks of Investing and Trading

Risk Related to Industry Regulations Applicable to Portfolio Companies. It is anticipated that Clients will invest in portfolio companies in the technology industry. Companies operating in this industry are sometimes subject to extensive state, federal and foreign regulations governing their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals, or maintain those approvals so obtained, may subject the applicable portfolio company to civil penalties, suspension or withdrawal of any regulatory approval obtained, product recalls and seizures, injunctions, operating restrictions and criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on a Client's investment in such company.

Lack of Follow-on Investments. Following its initial investment in portfolio companies, it is anticipated that portfolio companies may require additional funding and that a Client may have the opportunity to increase its investment in successful portfolio companies. There can be no assurance that a Client will make follow-on investments or that a Client will have sufficient funds to make all such investments. Any decision by the Adviser not to make follow-on investments, or a Client's inability to make such investments, may have a substantial adverse effect on a portfolio company in need of such an investment or may result in a missed opportunity for a Client to increase its participation in a successful enterprise. If a Client does not participate in a follow-on investment opportunity and other Investors provide the requested financing, a Client's investment in the portfolio company may be substantially diluted. In addition, while the Adviser may offer to each Investor the opportunity to invest (*pro rata* based on each Investor's percentage interest) in follow-on opportunities from which a Client is precluded, such opportunities will not be independently evaluated by the Adviser or any other Investors and no Investor should construe any decision to make or not make a follow-on investment under these circumstances to be a fiduciary decision with respect to a Client.

Risk Related to Competition for Investments. The venture capital business is highly competitive, and it has become more so in recent years due to increased flows of capital into venture funds and similar investment organizations. A Client and the Adviser will be competing with other established companies and funds with substantially greater resources and experience, as well as industrial and financial companies investing directly in companies, instead of through venture capital entities. Moreover, the volume of attractive investment opportunities varies greatly from period to period. A Client may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. There can be no assurance that a Client will be able to make investments on attractive terms, and it is possible that a Client's term will expire before the relevant Client has invested all of its available capital.

Risk Related to Changes in Business Environment. A Client's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory and technology environment within which a Client operates may undergo substantial changes, some of which may be adverse to the relevant Client. The Adviser will have the exclusive right and authority (within limitations set forth in a Client's Governing Documents) to determine the manner in which a Client will respond to such changes, and Investors generally will have no right to withdraw from a Client or to demand specific modifications to a Client's operations in consequence thereof. Prospective Investors are particularly cautioned that the investment strategies used by the management of the Adviser in the past may not be successful, or even practicable, during a Client's term, and the Adviser will have the right and authority to cause a Client's investment sourcing, selection, management and liquidation strategies and procedure to deviate from those described in a Client's Governing Documents.

Risk Related to Long-Term Investments. A Client's investments will generally be illiquid and long-term. At the time of the Client's investment, a portfolio company may lack one or more key attributes (*e.g.*, successful product, competent management team or strategic alliances) necessary for success. Many or most of a Client's portfolio companies will be dependent for their success upon the development, implementation, marketing and customer acceptance of new technologies that can be rendered obsolete or otherwise unattractive at any time. In most cases, investments will require several years from the date of initial investment before disposition. It is possible that a Client will still hold some illiquid securities at the end of a Client's term, with the result that such securities may need to be distributed in-kind or sold for a price that reflects their illiquid nature. There can be no assurance that a Client will ultimately be able to sell such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Illiquidity may result from the absence of an established market for investment securities as well as from legal or contractual restrictions on the resale of such securities by a Client.

Risk Related to Currencies. A Client may invest in securities denominated in currencies other than the U.S. dollar or the price of which is determined with reference to currencies other than the U.S. dollar. Unless the relevant Adviser hedges the currency exchange risk, the value of such assets (measured in U.S. dollars) will fluctuate with U.S. dollar exchange rates as well as with price changes in the applicable local markets and currencies.

Hedging Policies/Risks. A Client may, directly or indirectly, employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange and other factors (including risks associated with the use of derivative instruments). While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for a Client than if it had not entered into such hedging transactions.

Risk Related to Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Client may be required to make representations about the business and financial affairs of the portfolio company, typical of those made in connection with the sale of any business. A Client may also be responsible for the content of disclosure documents under applicable securities laws and may be required to indemnify the purchasers of such investments to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by Investors to the extent of their commitments or previous distributions made to them. It is also possible that other claims could be made against a Client in connection with its investments and business operations. To the extent that a Client does not have sufficient uncalled capital or other available resources to satisfy such liabilities, Investors may be required to return amounts previously distributed by a Client to satisfy such liabilities, subject to limitations set forth in the Client's operating documents.

Limited Liability of the Adviser and Indemnification. Generally, a Client's Governing Documents set forth circumstances under which the Adviser, its affiliates, stockholders, members, managers, partners, directors, officers, employees, agents and representatives (collectively, the "**Indemnified Parties**") are to be excused from liability to the Client and the Investor therein for damages or losses that the Client or the Investors therein may incur by virtue of any such Indemnified Person's performance of services for the Client. As a result, the Client and the Investors therein may have a more limited right of action in certain cases against these persons than they might have otherwise. Notwithstanding any applicable provisions of the Governing Documents, Investors may have, or be entitled to, rights, claims, causes of action or remedies that cannot be waived or forfeited under applicable law. In particular, Investors should consult with their own legal counsel before concluding that any particular claims against the Adviser of the Client, or its respective members have been waived or forfeited by virtue of the Governing Documents or otherwise. Additionally, if a claim is made against an Indemnified Person, such Indemnified Person may be entitled to be indemnified by the Client, in which case the assets of the Client would have to be used to indemnify such Indemnified Person.

Investment Due Diligence and Investment Research. When conducting due diligence and investment research, the Adviser may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence and investment research process in varying degrees depending on the type of investment. When conducting due diligence and investment research and making an assessment regarding an investment, the Adviser may rely on information provided by such persons, or by the management or shareholders of the target of the investment or their advisors. The due diligence investigation and investment research that the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, may lead to inaccurate or incomplete conclusions, or may be manipulated by fraud. Moreover, such an investigation will not necessarily result in the investment being successful.

Risk Related to Material Non-Public Information. As a result of the operations of a Client and its affiliates, the Adviser may come into possession of confidential or material non-public information. Therefore, the Adviser may have access to material, non-public information that may be relevant to an investment decision to be made by a Client. Consequently, a Client may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or a Client's internal policies. Due to these restrictions, a Client may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise may have sold.

Audit Risks. It is possible that an audit of a Client's tax return by the U.S. Internal Revenue Service (the "**Service**"), if conducted, may result in an audit of an Investor's U.S. tax return, if any. Generally, an Investor that files a U.S. tax return must report each Client item for U.S. federal income tax purposes consistent with its treatments on the Client's return, unless such Investor files a statement with its return that identifies the inconsistency. In the event of an audit, the tax treatment of all Client items may be determined at the Client level in a single proceeding rather than in separate proceedings with each Investor. The Adviser may take primary responsibility for contesting federal income tax adjustments proposed by the Service, to extend the statute of limitations as to all Investors and, in certain circumstances, the Adviser may be able to bind the Investors to a settlement with the Service. The Adviser will inform each Investor of a commencement and disposition of any such administrative proceeding. Nevertheless, an Investor's participation in administrative or judicial proceedings relating to Client items would be restricted.

Withholding and other Taxes. The Adviser intends to structure the Clients' investments in a manner that is intended to achieve the Clients' investment objectives and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any

particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on Investors under the laws of the jurisdictions in which investors are liable for taxation or in which a Client makes portfolio investments. Prospective Investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Client under the laws of the jurisdiction in which they are liable for taxation. Furthermore, a Client's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which the Client's portfolio companies are organized.

European Union Directive on Alternative Investment Fund Managers (AIFMD). On July 21, 2011, the European Union (EU) Directive on Alternative Investment Fund Managers (the “**Directive**”) came into force. Among other things, the Directive regulates the marketing in the EU by a manager of an alternative investment fund (the “**AIF**”), regardless of whether the manager or the AIF is established in the EU or elsewhere. Furthermore, the Directive imposes new regulatory obligations on certain managers in respect of their activities and the AIFs that they manage. The implementation of the Directive may have an adverse effect on the marketing and continued operation of a Client in the event the Adviser markets such Client in jurisdictions subject to the Directive. Certain aspects of the Directive will be phased in over a number of years, and during this period each member of the EU may revise its private placement laws. The detailed impact of the Directive on the marketing and operation of a Client will not be known until the specific EU jurisdictions in which the Adviser markets the Client (if any) have been definitively identified.

CFIUS Reviews. Pursuant to the Defense Production Act of 1950, as amended, the U.S. Government has the authority to restrict and prevent foreign acquisitions of and investments in U.S. companies (collectively, “**Foreign Investments**”) on national security grounds, actions that could adversely affect a Client's investments. The Committee on Foreign Investment in the United States (“**CFIUS**”), a U.S. government interagency committee, conducts national security reviews of Foreign Investments and, in the interest of national security, may impose mitigation (*i.e.*, restrictions) on such investments. CFIUS-imposed mitigation can take a variety of forms, including (i) restrictions on the foreign investor's access to the U.S. company's technology or facilities, (ii) restrictions on the foreign investor's role in the governance or decision making of the U.S. company, (iii) mandatory divestiture of a foreign non-managing member's capital contribution and termination of its participation in the Client, (iv) mandatory U.S. Government approvals of changes to the U.S. company's suppliers or the locations of its source code repositories, and (v) the appointment of a U.S. Government-approved monitor to verify the transaction parties' compliance with the mitigation. The President of the United States may block a Foreign Investment that threatens to impair U.S. national security or order a foreign investor to divest of its Foreign Investment. If a Client is controlled by foreign persons or has foreign non-managing members, its investments are potentially subject to CFIUS review. Foreign non-managing members' indirect investments in U.S. companies through a Client also could be subject to CFIUS review. Finally, subsequent proposed investments, acquisitions, or mergers or other transactions related to a Client's portfolio company investments involving foreign persons also could be subject to CFIUS review. If a Client is subject to a CFIUS review, the Client could incur increased costs, including legal fees.

D. Risks Related to Digital Assets

Digital asset investments. Clients may invest in cryptocurrencies, decentralized application tokens, protocol tokens and other cryptofinance coins, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies (collectively, “**Digital Assets**”). Digital Assets are loosely regulated and there is no central marketplace for currency exchange. Supply is determined by a computer code or other action, not by a central actor, and prices have been extremely volatile.

Emerging technology and malicious actors. The ownership or transmission of Digital Assets is recorded or verified by a distributed ledger or other similar technology. The marketplace for such Digital Assets is

still in its early stages of development, which may increase the risk of loss with respect to investments in Digital Assets in a number of ways. Digital Assets and their functions are generally governed by software run on a network of computers associated with such Digital Assets. Various issues related to such software and such computer networks could result in the diminution in value of Digital Assets, including, without limitation, undiscovered flaws in software, advancement in computing technology and third party attacks on computer networks.

Digital asset exchanges. Digital Asset exchanges and other service providers to the Digital Assets sector are not well developed. Multiple Digital Asset exchanges and parties providing storage solutions for Digital Assets have ceased operation due to fraud, security breaches and governmental decree. Investments in Digital Assets may be held by such an exchange or other third party and could be subject to loss if such exchange or other third party were to shut down or suffer a security breach or other negative event.

Custody of the digital assets. The Adviser will be responsible for arranging custody of a Client's Digital Assets, including by storage in one or more "cold wallets" and/or on various Digital Asset exchanges. Digital Asset exchanges may require the Adviser to provide control of applicable private keys when such exchanges are utilized by a Client. The Adviser will take such reasonable steps as it determines are necessary to maintain access to these keys and to prevent their exposure to hacking, malware and general security threats, but there can be no assurance that such steps will be adequate to protect such keys or the Digital Assets from such threats or that there will be no failure or penetration of the applicable security systems. There also can be no assurance that, to the extent a Client utilizes third-party custodial services, such third parties maintain required certifications with the SEC or other regulatory agencies, the loss of which could cause such custodians to not be deemed qualified custodians by various regulatory agencies. Additionally, as this is an evolving space, it will be difficult to judge best practice among such custodians and there can be no guarantees.

Risk of loss of private keys. Various Digital Assets are controllable only by the possessor of unique private keys relating to the addresses in which the Digital Assets are held. The theft, loss or destruction of a private key required to access a Digital Asset is irreversible, and any such private key would not be capable of being restored by a Client. Any loss of private keys relating to digital wallets used to store Digital Assets could result in the loss of such Digital Assets, and an Investor could incur substantial, or even total, loss of capital invested in Digital Assets.

Uncertain regulatory environment for digital assets. Digital Assets currently face an uncertain regulatory landscape in the United States and in other jurisdictions. Various jurisdictions may, in the near future, adopt laws, regulations or directives that affect Digital Assets and parties that come into contact with Digital Assets. Such laws, regulations or directives may negatively impact Clients in a variety of ways, including increasing the compliance burden of a Client and its related parties or diminishing the value of a Client's investments in Digital Assets.

Lack of management rights in digital asset investments. In many cases, a Client will be investing directly in a Digital Asset that lacks the governance aspects that generally pertain to equity securities. For example, a holder of a Digital Asset does not have the right to appoint board members or otherwise vote on corporate actions of the entity that has issued the Digital Asset. As a result, the Adviser will have limited, if any, ability to influence the actions of the issuer of the Digital Asset and such lack of influence may negatively impact the value of any particular investment.

Tax risk of digital asset investments. There is substantial uncertainty regarding the tax treatment of Digital Assets. As such, the Adviser may take certain tax positions that may ultimately be treated differently in the course of an audit by the Internal Revenue Service (the "IRS"), or the regulations promulgated by the IRS

may change over time. As a result, Investors may be subject to adverse tax consequences associated with their investment in a Client.

Technology and security. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of a Client's operations or a loss of Client assets. Furthermore, Clients must adapt to technological change in order to secure and safeguard client accounts. While the Adviser believes it has developed an appropriate security system reasonably designed to safeguard Digital Assets from theft, loss, destruction or other issues relating to hackers and technological attack, such assessment is based upon known technology and threats. As technological change occurs, the security threats to Digital Assets will likely adapt and previously unknown threats may emerge. Furthermore, the Adviser believes that Clients may become a more appealing target of security threats as the size of their assets grow. To the extent that the Adviser is unable to identify and mitigate or stop new security threats, Digital Assets may be subject to theft, loss, destruction or other attack, which could have a negative impact on the performance of Clients or result in loss of assets.

E. Other Risks Relating to Investing in Private Funds

Limited Operating History. The Adviser's Clients generally will have little operating history, and there can be no assurance that one or more investments made on behalf of a Client will not result in losses. Although certain employees of the Adviser have backgrounds in venture capital and private equity, there can be no assurance that a Client will experience the same level of returns as prior venture capital investments or private equity investments made at the Adviser's direction in the past.

Management by General Partner or Managing Member. Investors in a Fund will have no right or power to participate in the management or control of the business of such Fund. All aspects of management of a Fund are entrusted to the Adviser. As a result, Investors will not have an opportunity to evaluate the specific investments made by a Fund or the terms of any investment made by such Fund prior to the consummation of such investments. Many investment decisions by the Adviser will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and the Adviser will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impractical to verify.

Reliance on TSI. TSI provides various services to the Adviser, including, but not limited to, administrative, legal, technical and clerical services, access to technology equipment and office facilities, maintenance and support services, and other related and miscellaneous services. Pursuant to a services agreement (the "**Services Agreement**"), the Adviser pays TSI a fee for the provision of these services. Such fee is borne by the Adviser and not directly or indirectly by its Clients. All personnel of the Adviser have a direct employment relationship with TSI and not with the Adviser. Because of the services provided to the Adviser by TSI, the Adviser's performance will be materially dependent on TSI and the talents and efforts of individuals employed by TSI. TSI is not a fiduciary to the Adviser or to any of its clients. The success of the Adviser and the Clients will largely be dependent upon TSI's ability to continue to provide services to the Adviser. If TSI ceases to do so, or to do so effectively, the Adviser and the Clients will be adversely affected. The Adviser has no control over TSI, and TSI may make decisions without regard to, knowledge or consideration of, the business objectives of the Adviser or the investment objective of the Clients (subject to the Services Agreement).

Unspecified Use of Proceeds. Except as otherwise described in the relevant Client's Governing Documents, generally a Client does not conclusively select investments that it will make in advance of accepting of capital commitments from Investors. Purchasers of interests in a Client will not have an opportunity to

evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by such Client and, accordingly, will be dependent upon the judgment and ability of the Adviser in investing and managing the capital of such Client.

Defaulting Members. Failure of an Investor to fund any portion of its commitment when due could have material adverse consequences on such Investor, including, without limitation, forfeiture of all or a portion of its interest in a Fund pursuant to the terms of the Governing Documents. Further, any failure by Investors to meet a capital call may impair the ability of a Fund to pursue its investment program, force such Fund to borrow, or cause other damage.

Return of Distributions. An Investor in a Fund that receives a distribution subject to certain contingences or giveback requirements (including, in certain circumstances, if the Fund should become insolvent), or in violation of certain applicable laws, rules or regulations, will, under certain circumstances, be obligated to recontribute such distribution to such Fund. The applicable Governing Documents of Funds generally will also require Investors therein to return to such Fund distributions they previously received, subject to certain limitations.

Distributions of Assets Other Than Cash. The Adviser may distribute certain of the Client's investments in securities or other non-cash property. An Investor that receives assets other than cash from a Client may incur substantial costs and delays in converting those assets to cash as distributed assets may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales by Investors without such sales triggering a price decline which makes it difficult or impossible for all Investors to sell such securities at the distribution price. Nevertheless, the distribution price of such securities will be established under the provisions of the applicable Governing Documents and will not be adjusted to reflect actual sale prices obtained by the Investors. Further, distributions in kind on dissolution of a Client may result in the receipt by Investors of highly illiquid unregistered securities.

Economic interest of General Partner or Managing Member. Because the percentage of profits allocated to the Adviser or a Two Sigma Affiliate will exceed the capital contribution percentage of the Adviser, and because certain net losses otherwise allocable to the Adviser will be specially allocated to all the Investors (up to the point that the Investors' capital account balances reach zero), the Adviser may have an incentive to make investments that are riskier or more speculative than if the Adviser received allocations on a basis identical to that of the Investors. Moreover, the manner in which the Adviser determines allocations may create a conflict between the Adviser's interests and the Investor's interests as to the manner, timing and sequencing of the disposition of investments, which could result in adverse consequences for the Investors, including, but not limited to, reduced returns and less efficient tax treatment.

Lack of Liquidity and Limited Transferability of Interests in a Client. An investment in a Client is a long-term commitment and there is no assurance of any distribution to the Investors. Interests in a Client will not be registered under the Securities Act or any state securities laws and may not be transferred unless registered under applicable federal and state securities laws or unless an exemption from such laws is available. A Client will have no plans, and is under no obligation, to register such interests under such laws. No market exists for interests in a Client, and none is expected to develop. In addition, interests in a Client are not transferrable except with the consent of the Adviser. Withdrawal of capital from a Client generally will not be permitted, although the Governing Documents of a Client may specify certain circumstances under which an Investor may be entitled, or required, for legal reasons to withdraw from a Client. Consequently, Investors may not be able to liquidate their investment in the event of a change of circumstances or for any other reason. Investment in a Client requires the ability and willingness to accept such lack of liquidity as well as a high degree of risk.

No Assurance of Profit or Distributions. There is no assurance that a Client's investments will be profitable or that any distributions will be made to the Investors. Any return on investment to the Investors will depend upon successful investments being made by a Client. The marketability and value of any such investment will depend upon many factors beyond the control of a Client. A Client may not have sufficient cash available to make tax distributions to the Investors. The expenses of a Client may exceed its income, and the Investors could lose the entire amount of their contributed capital.

Prior Rates of Return May Not Be Indicative of Client's Returns. Two Sigma Affiliates, including TSI, pursue and implement investment strategies that are different from the investment strategies pursued and implemented by the Adviser. There can be no assurance that investments by a Client will yield comparable results to those previously obtained by the Adviser or any Two Sigma Affiliates in the past, even if the investment strategies may be similar or comparable. Prior experience that the Adviser and the Two Sigma Affiliates, its employees, managers, Investors, directors or partners may have in making investments of the type expected to be made by a Client necessarily was obtained under different market conditions, by exposure to different industries and sectors, and with different technologies at the forefront of development, and there can be no assurance that these or comparable returns will be achieved by a Client's investments individually or in the aggregate. In pursuing investment opportunities for a Client, it is possible that the Adviser is able to achieve a higher and, at times, substantially higher returns for many, if not all, of the other Clients than another Client. In addition, certain Clients may have lower management fees and carried interest and a different methodology for calculating carried interest in comparison to other Clients.

Dependence on Key Personnel. The activities of a Client will depend significantly upon the services of certain key individuals of the Adviser (including members of the investment team). The loss of the services of any of these key personnel for any reason could have a significant adverse impact upon the business and results of a Client's operation. Moreover, principals or employees of the Adviser will not be required to devote their time and attention exclusively to a Client.

Furthermore, from time to time the Adviser relies on certain Two Sigma Affiliates' employees for advice on the review and diligence of potential investments and for other types of support after an investment has been made. This support is not guaranteed by those affiliates, and the Adviser will have to compete for such affiliates' employees' time and attention, and there is no guarantee that the Adviser will be able to secure it. This support could be discontinued in its entirety at any time. The failure to receive this support could potentially cause the Adviser to make unsuccessful investments which could have been avoided or to pass on potential investments that may be successful. Furthermore the Adviser has previously relied on Two Sigma Affiliates to source opportunities; however, this reliance will be subject to certain restrictions and limitations as described herein and in the Governing Documents of the applicable Client.

Limited Diversification of Risk. Clients generally participate in a limited number of portfolio investments and, as a consequence, the aggregate return of a Client may be materially and adversely affected by the unfavorable performance of even a single portfolio investment. In addition, there is no assurance that sufficient diversification of investments can be properly achieved. A Client may be subject to certain diversification limits. A Client will be focused on investments in certain sectors of the information technology industry, and, therefore, will involve more risk and will be subject to greater market fluctuations than a portfolio of securities that is not concentrated in a particular industry or sector. If the overall state of this industry or the specific segments or companies in which a Client invests perform poorly, a Client will be adversely affected. There can be no assurance that a Client will be able to find a sufficient number of attractive investments, joint ventures or strategic alliances to enable investment of the full amount of the capital committed to a Client.

Restricted Withdrawal and Transfer Rights. The interests in a Client will not be registered under the Securities Act or any other applicable securities laws. It is anticipated that there will be no public market

for the interests in a Client, and none is expected to develop. In addition, the interests in a Client will not be transferable except with the consent of the Adviser, which generally may be withheld by the Adviser in its sole discretion, and are subject to the terms and conditions of the Governing Documents of a Client. Investors generally may not withdraw capital from a Client. Consequently, Investors may not be able to liquidate their investments prior to the end of the Client's term.

Side Letters. In accordance with common industry practice, the Adviser and/or a Fund may enter into other written agreements with one or more Investors, including its affiliates, which may grant to such investor specific rights, benefits or privileges in connection with its investment in a Fund that are not made available to other Investors. Such additional rights, benefits or privileges may affect the interests of other Investors of such Fund.

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

Confidential Information. The Governing Documents of a Client will contain confidentiality provisions intended to protect proprietary and other information relating to a Client and a Client's portfolio companies. To the extent that such information is publicly disclosed, competitors of a Client and/or its portfolio companies, and others, may benefit from such information, thereby adversely affecting a Client, its portfolio companies, the Adviser, and the economic interests of the Investors.

Regulatory Concerns. A Client will be subject to a variety of securities laws and other types of governmental regulation that may limit the scope of its operations or impose material compliance costs and other burdens. While the Adviser believes that a Client will not be subject to the registration requirements of the Investment Company Act, there can be no assurance that this belief is, or will continue to be, correct. If a Client were subject to such registration requirements, a Client's performance could be materially adversely affected.

In general, the Adviser will seek to minimize the degree of governmental regulation and oversight to which the Adviser and a Client are subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act, the U.S. Securities Exchange Act of 1934, the Investment Company Act, and the Advisers Act) that would be available if the Adviser and a Client were subject to greater governmental regulation and oversight. In particular, prospective Investors are cautioned against assuming the applicability of investor protections generally associated with public offerings of securities.

Limited Access to Information. The rights of Investors to information regarding a Client and its portfolio companies will be specified, and strictly limited, in the applicable Governing Documents. In particular, it is anticipated that the Adviser will obtain certain types of material information that will not be disclosed to Investors. For example, the Adviser may obtain information regarding portfolio companies (e.g., via

employees, partners or affiliates of the Adviser serving as advisors to, or officers/directors of, portfolio companies) that is material to determining the value of securities issued by such portfolio companies. Such information may be withheld from Investors in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or a Client.

With respect to its Clients that are Funds, decisions by the Adviser to withhold information may have adverse consequences for Investors in a variety of circumstances. For example: (i) an Investor that seeks to sell its interest in a Fund may have difficulty in determining an appropriate price for such interest; (ii) decisions by the Adviser to withhold information may make it difficult for Investors to subject to the Adviser to rigorous oversight; and (iii) each communication from the Adviser to one or more Investors must be interpreted in light of the realistic possibility that the Adviser is in possession of undisclosed information relating to a Fund or its portfolio companies that could be material to a comprehensive assessment of such communication. Overall, prospective Investors should not expect a Fund to be operated with the same degree of “transparency” as a publicly traded corporation.

Computation of Capital Accounts. The Adviser’s discretion with respect to all matters concerning the computation of capital accounts may result in potential or actual conflicts of interest between the Adviser and Investors, and the Adviser’s determinations with respect to such matters may be materially different than if such determinations were made by a third party.

Client Advisory Boards. The Adviser may appoint one or more Investors as representatives to advisory boards (“**Advisory Board**”) established with respect to a Fund. The Governing Documents may provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to such Fund or any other Investor, other than the duty to act in good faith. In addition, representatives of the Advisory Board may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

Reserves. The Adviser may establish reserves for follow-on investments by a Client in portfolio companies (subject to certain limitations under the Governing Documents of a Client), operating expenses, Management Fees, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the Investors. If reserves are inadequate, a Client may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with “pay-to-play” or similar provisions.

Litigation Risks. A Client will be subject to a variety of litigation risks, particularly if one or more of a Client’s portfolio companies face financial or other difficulties during the term of a Client’s investment. Legal disputes, involving any or all of a Client, the Adviser, or the Two Sigma Affiliates may arise from the foregoing activities (or any other activities relating to the operation of a Client, the Adviser or a Two Sigma Affiliate) and could have a significant adverse effect on a Client. For example, litigation risks may arise because employees of the Adviser actively assist portfolio companies that are in financial distress. A Client may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of a Client or the Adviser), it is possible that a Client, the Adviser or a Two Sigma Affiliate may be named as defendants. Portfolio companies may have insurance to protect directors and officers, but this insurance may be inadequate. In connection with such actions, in most circumstances, a Client would be obligated to bear defense, settlement and other costs, and the Adviser would generally be entitled to indemnification by a Client. Such costs and indemnification could adversely affect a Client’s rate of return. Beyond direct costs, such disputes may adversely affect a

Client in a variety of ways, including by distracting the Adviser and harming relationships between a Client and its portfolio companies or other Investors in such portfolio companies.

Cybersecurity Risks. Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Adviser, the Two Sigma Affiliates, Clients, and their portfolio companies' and service providers' information and technology systems may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, power outages and catastrophic events (including fires, tornadoes, floods, hurricanes and earthquakes), or usage errors by their respective professionals or service providers. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to Investors (and their beneficial owners) and material nonpublic information. Although the Adviser has implemented, and portfolio companies and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. The Adviser does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to the Adviser, the Two Sigma Affiliates, Clients, Investors and/or a portfolio company, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, Two Sigma Affiliates', a Client's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and their beneficial owners), material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of the Adviser and/or portfolio companies.

Furthermore, breach of the Adviser's technology systems through cyber-attacks, or failure to manage and secure the Adviser's technology environment, could result in malfunctions in the operations of the Adviser's business, loss of valuable information, loss of investments, liability for stolen assets or information, remediation costs to repair damage caused by a breach, additional costs to mitigate against future incidents and litigation costs resulting from an incident. Moreover, loss of confidential client information could harm the Adviser's, a Two Sigma Affiliate's, a Client's and/or a portfolio company's reputation and subject any such entity and its respective affiliates to liability and legal claims under the laws that protect personal data, resulting in increased costs or loss of revenues or otherwise affect their business and financial performance.

The Adviser, a Client and/or a portfolio company could be required to make a significant investment of time and/or expenses to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, and other events that may affect their business and financial performance.

Coronavirus and Public Health Emergencies. As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to market volatility. The global impact of the outbreak is rapidly evolving, and many countries, states, provinces, districts, departments and municipalities have reacted by instituting quarantines, curfews,

prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues, including certain infrastructure structures and facilities. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism and entertainment, among other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its investments and could adversely affect a Client's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the operational and financial performance of a Client will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of a Client's investments as well as the ability of a Client and source, manage and divest investments and achieve its investment objectives, all of which could result in significant losses to the Client. In addition, the operations of a Client, its investments and the Adviser may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) the employees, officers, directors, partners, members and managers of the Adviser and portfolio companies, (ii) service providers to portfolio companies, the Adviser, Clients and/or their respective affiliates, and (iii) third-party operators could undermine the due diligence efforts of a Client and/or the Adviser and cause significant losses to a Client. Misconduct may include entering into transactions without authorization, failing to comply with operational and risk procedures (including due diligence procedures), making misrepresentations regarding prospective investments, improperly using or disclosing confidential or material non-public information, failing to comply with applicable laws or regulations, and the concealing of any of the foregoing. Such misconduct may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to a Client. The Adviser has controls and procedures through which it seeks to minimize the risk that any such misconduct will occur, however, there can be no assurance that such misconduct will be identified or prevented.

F. Conflicts of Interest

General. The Governing Documents of a Client establish complex arrangements among the Clients, the Adviser, Investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Governing Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Client or Investors.

Diverse Investor Group. Investors in a Fund include persons or entities organized in various tax jurisdictions, which may have conflicting investment, tax and other interests with respect thereto. As a result, conflicts of interest may arise in connection with decisions made by the Adviser that may be more beneficial for one type of Fund Investor than for other types of Fund Investors, especially with respect to Investors' individual tax situation (including with respect to the nature or structuring of investments). In making decisions, the Adviser intends to consider the investment objectives of a Fund as a whole, and not the investment objectives of any Investor of a Fund individually.

Because the commitments contributed by a Fund's Investors may be primarily composed of commitments by certain founding members and Managing Directors of the Adviser and the Two Sigma Affiliates (the "**Founder Investors**"), conflicts may arise between the interests of the Founder Investors and those of a Fund and its Investors who are not Founder Investors in relation to certain decisions regarding, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. The Founder Investors retain certain rights with respect to, and may have the ability to influence, the Adviser's management and governance (*e.g.*, decisions related to staffing) which could have an indirect impact on a Fund's investment decisions, and which may create a conflict of interest between the interests of the Founder Investors and the interests of other Investors in a Fund. A significant ownership stake in a Fund Client by the Founder Investors, may limit some of the actions that the Adviser may take on behalf of Clients, as required by applicable law.

In addition, certain Investors may also invest in more than one Client, including co-investment vehicles that may invest alongside a Client in one or more investments. Investors may also include affiliates of portfolio companies, charities or foundations associated with personnel or advisors of the Adviser or its affiliates and/or current or former personnel or advisors of the Adviser or its affiliates. Any such affiliates, investment funds or persons may also invest through co-investment vehicles that invest alongside a Client in one or more investments.

Further, Two Sigma Affiliates have invested, and may invest in the future, in funds or investment vehicles managed by the affiliates of an Investor. In addition, certain Investors (or former Investors) or their affiliates may have a direct or indirect interest in the Adviser or a Two Sigma Affiliate. Such Investors (or former Investors) or their affiliates may, indirectly as owners or interest holders thereof, benefit from Management Fee, Carried Interest or other compensation received by the Adviser or its affiliates indirectly in their capacity as direct or indirect interest holders or owners. It is also possible that a Client or its portfolio companies will be counterparties or participants in agreements, transactions or other arrangements with an Investor or its affiliate.

Such Investors may therefore have different information about the Adviser, its affiliates and a Client than Investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such Investors, and the Adviser and the affiliates may not be motivated to act solely in accordance with their interests relating to a Client. Similarly, not all Investors monitor their investments in the same manner. For example, certain Investors may periodically request from the Adviser information regarding a Client and investments and/or portfolio companies that is not otherwise set forth in the reporting and other information required to be delivered to all Investors, for instance, pre-quarterly valuation reporting. In such circumstances, the Adviser may choose to provide such information to such Investor in its sole discretion, provided, that the Adviser will not be obligated to affirmatively provide such information to all Investors. As a result, certain Investors may have more information about a Client, or may receive information about a Client at an earlier time, than other Investors, and the Adviser will have no duty to ensure all Investors seek, obtain or process the same information regarding a Client and its investments and/or portfolio companies.

Allocation Policy; Sharing of investment opportunities with Two Sigma Affiliates. The Adviser and the advisory Two Sigma Affiliates, including TSI, pursue several different investment strategies, which are managed by separate investment teams (each such strategy is referred to herein as an “**Account**”). Such Accounts may include proprietary accounts or funds established by or for the benefit of the Adviser, Two Sigma Affiliates, other personnel and related affiliates and third parties, including clients of Two Sigma Affiliates. Nevertheless, it is possible that Clients of the Adviser and the Accounts advised by Two Sigma Affiliates (including TSI) may encounter potential conflicts with respect to investment opportunities, data services, research, deal sourcing, resource sharing and investment decisions. Although the Adviser and Two Sigma Affiliates may share certain resources, the benefits of such arrangements may not be proportional among the affiliates in every instance, and from time to time certain affiliates may bear a greater cost or burden than others and such costs may be further allocated to their respective clients.

Additionally, subject to the Governing Documents of a Client, the Adviser may retain TSI, its operating affiliates and certain persons affiliated with, employed by or retained by the Adviser or TSI, including its investor relations personnel (each, an “**Affiliated Service Provider**”) to provide data-analytics, marketing, technology, acquisition, integration, rationalization and/or other operations services or due diligence, or similar services to a Client, its related investment vehicles or a portfolio investment. In particular the Adviser will rely to a substantial degree on Affiliated Service Providers for vendor data management, access to data sets, data engineering assistance and other activities that are essential to the Advisers data analytics activities (“**Data Analytics Activities**”). The Affiliated Service Providers are not a fiduciary to the Adviser or to any Clients. If Affiliated Service Providers cease to provide their services, the Adviser will be materially adversely affected. In particular Affiliated Service Providers may cease providing the Adviser access to data sets important to the Adviser’s Data Analytics Activities or provide engineering assistance for any reason at all. Replacing such data sets or engineering assistance may be prohibitively expensive for the Adviser. The Adviser has no control over the Affiliated Service Providers, and the Affiliated Service Providers are permitted to make decisions without regard to, knowledge or consideration of, the business objectives of the Adviser, any duties or obligations of the Adviser to any Client or the investment objective, goals or other investment profile characteristics of any Client.

Although the Adviser’s investment teams, on the one hand, and the investment teams of the advisory Two Sigma Affiliates, including TSI, on the other hand, generally pursue different investment strategies, operate separately from one another and make investment decisions independently from one another, the investment professionals of the Adviser and the Two Sigma Affiliates, including TSI, also have regular formal and informal communications. There are times when Accounts managed by advisory Two Sigma Affiliates, including TSI, and Accounts managed by the Adviser may seek to make the same investment, including as a result of independent investigation by the various investment teams managing the Accounts or when two or more teams work in conjunction with one another to pursue an opportunity, including (without limitation) when an investment opportunity is deemed to be too large for one Account to pursue on its own. Similarly, investment opportunities sourced by one affiliate may be shared with or made available to, other affiliates and/or their clients, although investment opportunities that are sourced by Two Sigma Affiliates are not required to be made available, in whole or in part, to the Adviser or its Clients. The Adviser and the Two Sigma Affiliates have adopted a policy regarding the allocation of investment opportunities among Clients and other Two Sigma Affiliates, which may impact the investment opportunities that are available to a Client (the “**Two Sigma Group Allocation Policy**”). Pursuant to the Two Sigma Group Allocation Policy, certain Clients could generally have priority over other Two Sigma Affiliates with respect to investment opportunities that the Adviser sources and the Adviser will have the right to approve the participation of other Two Sigma Affiliates in such opportunities, if any. Similarly, other Two Sigma Affiliates will have priority with respect to investment opportunities that such affiliates source.

Notwithstanding the foregoing, investment opportunities that enhance the operating platform of Two Sigma Affiliates and involve more than a financial investment are considered “Strategic Opportunities” under the

Two Sigma Group Allocation Policy. For example, such Strategic Opportunities may also include strategic partnerships, commercial arrangements or co-development agreements with Two Sigma Affiliates. With respect to Strategic Opportunities, Two Sigma Affiliates, rather than a Client (such as, a Fund), will have priority, even if the Adviser originally sourced the opportunity. The determination of whether an investment opportunity is “strategic” is made in accordance with the Two Sigma Group Allocation Policy and/or other applicable policies.

As a result of the Two Sigma Group Allocation Policy, a Client may not be able to take advantage of all investment opportunities sourced by the Adviser. To the extent an opportunity is allocated in its entirety to Two Sigma Affiliates instead of a Client, such Client will not participate in any investment gains it otherwise would have realized with respect to such opportunity if it had participated. Moreover, the Adviser or such Client may not be compensated (or reimbursed) for the time and effort involved in identifying any such investment opportunity. The Two Sigma Group Allocation Policy is not the result of arm’s-length negotiations with any Client or Investor. Conversely, a Client will have no guaranteed right to participate in investment opportunities identified by Two Sigma Affiliates. A Two Sigma Affiliate will have priority over any opportunities such affiliate sources, with no obligation to offer any portion of such opportunities to a Client. As a result, a Client will not be able to rely on such Two Sigma Affiliates for a pipeline of investment opportunities.

In certain circumstances, regulatory or policy restrictions imposed on significant Investors in the Funds may cause a Fund to be prohibited from participating in an investment that the Adviser would otherwise seek to make on behalf of a given Fund, including (without limitation) participating in new issue offerings. In addition, instances may arise where the Adviser exercises its discretion not to pursue a particular investment opportunity on behalf of a Client because of the potential restrictions that such pursuit may have on the Adviser’s or its affiliates’ ability to invest in or trade certain securities (or other assets) related to such investments on their own behalf or on behalf of their other clients. Additionally, if a Fund’s Investors are comprised of current or former partners or employees of the Adviser and the Two Sigma Affiliates or their estate planning vehicles (or other similar Investors), the Adviser may have an incentive to provide support to a Fund that it may not otherwise provide to vehicles whose Investors are comprised of unrelated third parties. To the extent that an investment, proposed transaction or other relationship presents a material conflict of interest, the Adviser will review the particular facts and circumstances of such investment, proposed transaction or relationship with a view towards addressing such conflicts in a manner consistent with applicable law which may be further specified in the Adviser’s policies and procedures developed for such purpose.

Conflicts of interest with Two Sigma Affiliates. The Adviser and certain Two Sigma Affiliates engage in investment, financial and other activities for themselves on a proprietary basis (including on behalf of personnel of the Adviser and Two Sigma Affiliates) and on behalf of their own clients (including a Fund Client or any Opportunity Fund (as defined below)) and third parties (such as strategic investors or other market participants), which may compete or substantially overlap with the investment activities of such clients (including a Fund Client). This may present a potential conflict of interest with respect to the types of (and degree of participation in) investment opportunities available to a client (including a Fund Client), the resources made available to the Adviser (as an affiliate of the Two Sigma Affiliates), the investment recommendations and decisions made by the Adviser (*e.g.*, disposition, restructuring and recapitalization) and the management of a Fund’s assets by the Adviser. For instance, it is possible that a Fund may invest in a portfolio company in which a Two Sigma Affiliate already has an interest in a different part of the capital structure, or vice versa. As another example, Two Sigma Affiliates have investments in funds that provide financing to the types of portfolio companies in which a Fund typically invests. To the extent a Fund and a Two Sigma Affiliate invest side-by-side in a portfolio company, such Two Sigma Affiliate will be free to make decisions regarding the investment based on its own interests. Such interests may include strategic goals as well as, or in lieu of, financial goals. The interests of a Fund and such Two Sigma Affiliate

may diverge: Two Sigma Affiliates may have (a) investment goals, (b) investment timelines, and/or (c) resources available to effectuate investments that, in each case, differ from those of a Fund. These differences may affect the timing and amount of a Fund's gain or loss on its investment. Such Two Sigma Affiliates may also have greater control or influence over an investment and therefore a greater ability to promote their interests.

Furthermore, a Two Sigma Affiliate may buy from or sell to a Client an interest in a portfolio company, which may constitute a principal transaction. Such transactions may create conflicts of interest for the Adviser in negotiating the terms or pricing of such transaction or recommending such transaction to a Fund, as the Two Sigma Affiliate (and indirectly the Adviser and its owners) may benefit from the transaction. When the Adviser and/or its affiliates engage in such transactions, the Adviser seeks to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act. For more on how the Adviser handles principal transactions please see ***"Item 11: Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading"*** in this brochure.

The Two Sigma Affiliates currently serve in similar capacities for other clients, and expect to manage or advise other clients and funds (including proprietary funds or accounts) (collectively with the other Clients, the **"Related Clients"**), and enter into transactions with, or provide other services (both advisory and non-advisory) to, such Related Clients. Such Related Clients may purchase or sell the same securities and/or related financial instruments or other investments as those purchased or sold by a Client or may seek investment opportunities that may be of interest to a Client. In addition, the Adviser's affiliates organize other U.S. or non-U.S. funds, which may be managed by the Adviser or a Two Sigma Affiliate and which may have investment objectives substantially similar to those of a Client. In managing such Related Clients, conflicts of interest may arise.

A Client's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with Two Sigma Affiliates or portfolio companies (**"Other Fund Companies"**) of Related Clients, and such agreements, transactions or other arrangements could be material to such portfolio companies' success or failure. Such agreements, transactions or other arrangements may involve fees, commissions, servicing payments, discounts, rebates and/or other benefits to such portfolio company, Related Clients or Two Sigma Affiliate, as applicable. For example, a portfolio company may provide services or sell assets to a Two Sigma Affiliate's asset management or quantitative trading business, or may be acquired as part of a strategic or other transaction. The benefits received by the Two Sigma Affiliate involved in the agreement, transaction or other arrangement may be greater than those received by the portfolio company, and there is no guarantee that such transaction would be at market price. Any fees paid in connection with such services generally will not offset the Management Fee payable to the Adviser. Such agreements, transactions or other arrangements often will be entered into without the consent or direct involvement of a Client or the consent of the applicable Advisory Board and/or the Investors, as a Client generally only has limited control rights in the portfolio companies it invests in and will generally not be involved in the negotiations relating to such agreements, transactions or other arrangements. In addition, such portfolio companies' management could be influenced by a Client's investment, and such agreement, transaction or other arrangement may not have otherwise been entered into but for the affiliation or other relationship with Two Sigma Affiliates. Similar to the conflicts described above, Two Sigma Affiliates, Related Clients or Other Fund Companies will be free to make decisions regarding any agreement, transaction or other arrangement based on its own interests which may cause the interests of the portfolio company and such Two Sigma Affiliate or Related Clients to diverge, and these differences may affect the success or failure of such investment for a Client.

The Adviser and the Two Sigma Affiliates may determine that there are conflicts of interest or come into possession of information that limits their or their employees' ability to engage in potential transactions. A Client's activities may be constrained as a result of these conflicts of interest and the Adviser's personnel's

inability to use such information. Additionally, there may be circumstances in which one or more individuals associated with Two Sigma Affiliates will be precluded from providing services to the Adviser or to a Client because of certain confidential information available to those individuals or to Two Sigma Affiliates.

The Adviser and the Two Sigma Affiliates have the ability to invest in financial instruments for their own accounts or for the accounts of others. This may on occasion create conflicts of interest with a Client with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. Employees of the Adviser may engage in personal investment activities that could involve a conflict of interest with the investment activities of a Client. To the extent that an investment, proposed transaction or other relationship presents a material conflict of interest, the Adviser will review the particular facts and circumstances of such investment, proposed transaction or relationship with a view towards addressing such conflicts in a manner consistent with applicable law which may be further specified in the Adviser's policies and procedures developed for such purpose.

Service providers often charge different rates or have different arrangements for services. For example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by a Client and/or a portfolio company are different from those used by the Adviser or the Two Sigma Affiliates, such entities may pay different amounts or rates than those paid by a Client and/or a portfolio company. Similarly, the Adviser, the Two Sigma Affiliates, a Client or its portfolio companies may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with the Adviser) from time to time whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including, without limitation, the volume of transactions entered into with such counterparty by the Adviser, the Two Sigma Affiliates, a Client and its portfolio companies in the aggregate. A Client's portfolio companies will likely be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by the Adviser or the Two Sigma Affiliates, or certain third-party service providers that would not have otherwise been entered into but for the affiliation or relationship with the Adviser, and which involve fees, commissions, servicing payments, discounts, rebates and or other benefits to the Adviser, the Two Sigma Affiliates (including personnel) and/or a portfolio company which are not subject to the management fee offset provisions. To the extent that an Other Fund Company is providing such a service, such Other Fund Company and a Related Client that is invested in such Other Fund Company will benefit, and the benefits received by such Related Client or Other Fund Company providing the service may be greater than those received by a Client and its portfolio companies receiving the service. Additionally, Two Sigma Affiliates will from time to time hold equity or other investments in companies or businesses that provide services to or otherwise contract with portfolio companies. Two Sigma Affiliates have in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology and related industries whereby such Two Sigma Affiliates acquire an equity or similar interest in such company. In connection with such relationships, Two Sigma Affiliates may also make referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Two Sigma Affiliates that are tied or related to participation by portfolio companies). A portfolio company of a Fund may enter into agreements, transactions or other arrangements with another portfolio company of a Related Client, which may give rise to actual or potential conflicts of interest for the Adviser, a Fund and/or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of a Client and/or such other Related Client and/or the Investors of such Clients (including, without limitation, in the case of minority investments in such portfolio companies or the sale of assets from one portfolio company to another).

The Adviser's personnel may have conflicts of interest in allocating their time and activity between a Client and Related Clients, in allocating investments among a Client and Related Clients and in effecting transactions between a Client and Related Clients, including ones in which the Adviser (and its principals) may have a greater financial interest.

Subject to any relevant restrictions or other limitations contained in the relevant Governing Documents of a Client, the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion and as consistent with its expense allocation policy. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

Although Clients are generally expected to make minority investments, the Adviser and/or its affiliates may have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members may approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Such amounts will be in addition to any Incentive Allocation paid by a Client to the Adviser.

The Adviser and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by a Client or other investment vehicles advised by the Adviser and/or its affiliates; conversely, former personnel or executives of the Adviser and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser, its affiliates and/or personnel maintain relationships (which may include familial relationships) with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, lenders and brokers. Certain of these persons or entities may invest (or will be affiliated with an Investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or a Client or other investment vehicles they advise. The Adviser may have a conflict of interest with a Client in recommending the retention or continuation of a third-party service provider to a Client or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in a Client, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Client, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Client.

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and the Two Sigma Affiliates may buy or sell securities or other instruments that the Adviser has recommended to a Client. In addition, Two Sigma Affiliates or their officers, principals and employees may buy securities in transactions offered to but rejected by a Client. Such transactions are subject to the policies and procedures set forth in the Code. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of a Client. Employees and related persons of the Adviser have, and are expected to continue to have, capital investments in a Client, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Certain expenses are paid for by a Client and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Client and/or its portfolio companies. This subjects the Adviser to conflicts of interest because the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses. Similarly, investment opportunities may be shared

among the Adviser and the Two Sigma Affiliates, including their respective clients and on a proprietary basis; the allocation of associated expenses may not in each instance reflect the relative benefits to the participating investors.

Allocation of investment opportunities to Opportunity Funds. The Adviser and the Two Sigma Affiliates will have the authority to organize one or more “opportunity funds” or “growth funds,” (such funds, the “**Opportunity Funds**”) which would invest in similar industries as some of the Adviser’s Funds but in companies that are at a later stage of maturity, and therefore have more limited risk/reward profiles than are suitable for the Funds. If an Opportunity Fund is raised, when allocating investment opportunities among the Funds and such Opportunity Fund, the Adviser expects to consider, among other factors, the stage of the company, completeness of the team, maturity of the business model, revenue and valuation. There may be investments that could potentially be suitable for both the Funds and the Opportunity Funds. When there is uncertainty, Investors will rely on the Adviser’s judgment as to how such investment is allocated and which entity is better suited to make the investment. The allocation of such opportunities creates inherent conflicts of interest between the Adviser, the Funds and the Opportunity Funds.

Co-Investments. The Adviser may, as permitted and governed by a Client’s Governing Documents, but otherwise in its sole discretion, provide or commit to provide co-investment opportunities to one or more Investors and/or other persons including affiliates or employees of the Adviser or its affiliates (including any Opportunity Funds), in each case on terms to be determined by the Adviser in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of a Fund or any individual Investor. In exercising its sole discretion in connection with such co-investment opportunities, the Adviser may consider some or all of a wide range of factors, which may include factors which benefit the Adviser such as the likelihood that an investor may invest in a future fund sponsored by the Adviser or the Two Sigma Affiliates.

Co-investment opportunities may, and typically will, be offered to some and not to other Investors. When and to the extent that employees and related persons of the Adviser make capital investments in or alongside a Client, the Adviser is subject to conflicting interests in connection with these investments. The Adviser’s allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. Furthermore, to the extent a co-investment opportunity is allocated to third party co-investors, none of the Clients or the Adviser may be compensated by the third party co-investors for the time and effort involved in identifying any such co-investment opportunity nor would such third party co-investors be obligated to reimburse the Clients or the Adviser for any transaction fees or expenses incurred in connection with such co-investment opportunity.

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

Any of the situations described above will subject the Adviser and/or its affiliates to potential conflicts of interest. As the businesses of the Adviser and the Two Sigma Affiliates evolve, new and other potential conflicts may also arise which cannot be predicted at this time. To the extent that an investment, proposed transaction or other relationship presents a material conflict of interest, the Adviser will review the particular facts and circumstances of such investment, proposed transaction or relationship with a view

towards addressing such conflicts in a manner consistent with applicable law which may be further specified in the Adviser's policies and procedures developed for such purpose.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities & Affiliations

In addition to the Adviser, Two Sigma Affiliates include four investment advisers registered with the SEC: TSI, Sightway Capital, LP (“**Sightway**”), Two Sigma Advisers, LP (“**TSA**”) and Two Sigma Investor Solutions, LP (“**TSIS**”), as well as one broker-dealer registered with the SEC, Two Sigma Securities, LLC (“**TSS**”).

TSI, a Delaware limited partnership, manages third party and proprietary private investment funds. Sightway, a Delaware limited partnership, provides investment advisory services to one or more investment funds privately offered to qualified investors in the United States and elsewhere. TSA, a Delaware limited partnership, manages third party private investment funds and provides advisory services to certain separately managed accounts. TSIS, a Delaware limited partnership, provides non-discretionary investment advice to institutional clients and operates a private, web-based platform that provides institutional subscribers with access to analytic and research tools and data to help such subscribers manage their investment programs. The brochures for each of TSI, Sightway, TSA and TSIS are available through the SEC’s Investment Adviser Public Disclosure website.

TSI and TSA are each registered as both a commodity pool operator and a commodity trading adviser with the CFTC under the Commodity Exchange Act. Additionally, TSIS is registered as a commodity trading adviser with the CFTC under the Commodity Exchange Act. TSS is a member of FINRA and a number of other self-regulatory organizations and exchanges.

The Adviser and certain of its related persons are affiliated with and/or own interests in TSA, TSI, Sightway, TSIS or TSS.

TSI provides various services to the Adviser, including, but not limited to: operations; administrative, legal, technical, human resources and clerical services (e.g., finance, treasury, accounting, tax,, business management, data procurement support and cleansing, engineering and modeling, legal and compliance, workplace services staff, recruiting and human resources and marketing and sales support); access to technology equipment and office facilities; maintenance and support services; and other related and miscellaneous services. All personnel of the Adviser are also employed by TSI.

Finally, it is expected that certain related persons of the Adviser will be affiliated with and/or own interests in entities created by the Adviser, which may be entitled to receive the performance-based compensation from such Client as discussed in “**Item 5. Fees and Compensation**” hereof.

The Adviser’s affiliation with the Two Sigma Affiliates creates certain conflicts of interests as further described in “**Item 8. Methods of Analysis, Investment Strategies & Risk of Loss – F. Conflicts of Interest.**”

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

The Adviser has adopted a Code of Ethics (the “Code”) and certain other policies and procedures that obligate the Adviser and its supervised persons to act honestly and fairly in all respects in their dealings with a Client. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. The Adviser will supply a complete copy of its Code to a Client or prospective Client or any Investor or prospective Investor in a Fund who requests a copy of the Code by contacting Scott Hendry, by email at scott.hendry@twosigma.com or by telephone at (646) 690-9612.

The Adviser and its related persons may effect transactions for their own accounts in the same securities or other securities purchased and sold for a Client.

To ensure trading by the Adviser’s supervised persons is conducted (i) in a manner that does not adversely affect the Adviser’s trading on behalf of a Client and (ii) in a manner that is consistent with the fiduciary duties owed by the Adviser to a Client, the Adviser has adopted the Code and attendant policies and procedures governing, among other things, transactions by the Adviser’s supervised persons and other “covered persons” (as defined below). The Code and attendant policies and procedures contain provisions designed to, among other things, (a) prevent improper personal trading by the Adviser’s supervised persons and other covered persons; (b) identify actual or potential conflicts of interest; and (c) provide guidance in resolving certain actual or potential conflicts of which the Adviser is aware. To accomplish these objectives the Adviser is required under the Code and attendant policies and procedures to, among other things (1) require pre-clearance of personal trades in “reportable securities” (as defined in the Code) by the Adviser’s supervised persons and other covered persons; (2) restrict the number of such trades by the Adviser’s supervised persons and other covered persons in a given month; (3) prohibit certain trading by the Adviser’s supervised persons and other covered persons in securities of issuers listed on the applicable “restricted lists” (as defined in the Code); and (4) require minimum holding periods in connection with certain transactions.

The Adviser and its affiliates engage in principal transactions from time to time. For example, in the past an affiliate of the Adviser has sold an investment to a Fund. Such transactions may constitute “principal transactions” within the meaning of Section 206(3) of the Advisers Act as the affiliate of the Adviser will be acting as principal for its own account with respect to the purchase or sale of a security to or from such Fund. When the Adviser and/or its affiliates engage in such transactions, the Adviser seeks to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act.

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

The Code and the Adviser’s other policies and procedures also address the following key areas: (i) recordkeeping; (ii) oversight of the Code; (iii) conflicts of interest; (iv) the treatment of confidential information; (v) compliance with SEC rules and regulations; (vi) reporting misconduct; and (vii) outside activities. Periodic training regarding the Code and the Adviser’s other policies and procedures are provided to the Adviser’s supervised persons. Policies and procedures related to, among other things, “pay-to-play” rules, gifts and business entertainment and outside business activities are located in the Adviser’s compliance manual.

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

The Adviser's advisory affiliates are permitted to engage in transactions for their own accounts and engage in personal transactions in which a Client invests in accordance with the Code. These activities create conflicts of interest between the Adviser's advisory affiliates and a Client with regard to such matters as allocation of opportunities to participate in, or refrain from participation in, particular transactions.

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

The Code contains provisions designed to prevent improper personal trading by the Adviser's supervised persons. Pursuant to the Code, all of the Adviser's "access persons" (e.g., any partner, officer, director, member, or employee of the Adviser) and "covered persons" (e.g., any such access person's spouse, immediate family members, any person to whom an access person provides primary financial support, partnerships and corporations in which access persons maintain a certain level of beneficial interest, and any person with whom access persons share common financial support) must obtain pre-approval prior to trading a reportable security as defined under Rule 204A-1 and the Rules and Regulations promulgated under the Advisers Act, unless such person has a managed account with an independent adviser who has discretionary investment authority. The Adviser's access persons and covered persons are prohibited from trading securities on any applicable restricted list, and generally are prohibited from participating in "new issues." Short selling is prohibited. The Adviser's current personal trading policies limit the brokers that supervised persons can use for personal trading. All investment accounts and positions in reportable securities need to be disclosed upon joining the Adviser, and duplicate copies of brokerage account statements or their electronic equivalent generally must be sent to the Adviser's compliance group.

Item 12. Brokerage Practices

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

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

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

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

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

Item 13. Review of Accounts

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

A Client and Investors in Fund Clients generally will receive annual audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles, quarterly unaudited financial statements and any other periodic reports described in the offering or organizational documents of the Fund.

Item 14. Client Referrals & Other Compensation

The Adviser and/or its affiliates may provide certain business or consulting services to companies in a Client's portfolio and may receive compensation from these companies in connection with such services.

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

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

Item 15. Custody

The Adviser is generally deemed to have custody of Client assets and, where applicable, intends to comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled vehicle annual audit provision in the case of Fund Clients.

Item 16. Investment Discretion

The Adviser has discretionary authority to manage investments on behalf of a Client pursuant to the terms of the Governing Documents executed by Clients and the Investors of a Fund Client. As a general policy, the Adviser does not allow Clients to place limitations on this authority.

Item 17. Voting Fund Securities

Where the Adviser votes proxies regarding a Client's investments, it does so in accordance with adopted policies and procedures and in what it believes is the best interest of the Client. Because few, if any, of the Clients' investments are in publicly traded securities, the Adviser does not receive a large number of proxy solicitations in connection with such securities, and the proxy solicitations it does receive are generally of a bespoke nature.

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

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

A Client or an Investor in a Fund Client may obtain (i) a copy of the Adviser's proxy voting policies and procedures and (ii) information on how the Adviser voted proxies for such Client by contacting the Adviser at (646) 690-9612.

Item 18. Financial Information

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