

Form ADV Part 2A: Firm Brochure

SCG Asset Management, LLC

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Principal Office

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This brochure (“Brochure”) provides information about the qualifications and business practices of SCG Asset Management, LLC (“SCG”) and its affiliates. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (312) 784-3952 or msibley@sachscapitalgroup.com. 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 SCG is also available on the SEC’s website at: www.adviserinfo.sec.gov.

SCG is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

This is SCG's first amendment to the Brochure, which was initially dated December 22, 2020. We have revised our Brochure to include disclosures and relevant risk factors related to our new non-discretionary advisory services offerings and to update the amount of SCG's regulatory assets under management in Item 4. Except for these items, there have been no additional material changes.

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Item 4: Advisory Business

SCG is an investment advisory firm organized as a limited liability company under the laws of the State of New York. SCG was formed in October 2020 and is a newly registered investment adviser. SCG is owned by Sachs Capital Group, LP, and Gregory H. Sachs serves as Chief Executive Officer and Managing Partner (the “Principal”).

Discretionary Advisory Services

SCG serves as an investment manager (the “Investment Manager”) and provides discretionary investment advisory services to several affiliated pooled investment vehicles, including SCG Onshore, LP, SCG Offshore, LP (the “Feeder Funds”) and SCG Structured Products, LP (the “Master Fund” and, collectively with the Feeder Funds, the “Funds” and each, a “Fund”).

The Feeder Funds invest substantially all of their assets through a “master-feeder” structure in the respective Master Fund, conducting their investment and trading activities indirectly through their investment in the respective Master Fund. The purpose of the Master Fund is to achieve trading and administrative efficiencies. Thus, an investment in the Feeder Funds is the functional and economic equivalent of an investment in the Master Fund. References herein to the Funds’ investment and portfolio include investments by the Feeder Funds through the Master Funds. The investment objective of the Funds is to provide investors with attractive risk adjusted returns by taking advantage of volatility in the equity markets. The Funds’ goal is to construct a diversified portfolio of structured products in which the components do not exhibit significant correlation and do not draw down losses simultaneously.

SCG GP Ltd., a Cayman Islands exempted company, is the general partner of the Master Fund and SCG Offshore, LP (the “Fund General Partner”) and is an affiliate of SCG. In addition to being the Investment Manager to the Funds, SCG serves as the general partner of SCG Onshore, LP. The Funds’ and general partners’ facilities and personnel are provided by an affiliate of SCG.

SCG, as Investment Manager, has full discretion in trading on behalf of each Fund (as provided in the applicable private placement memorandum and partnership agreement of each Fund (“Governing Documents”)).

Non-Discretionary Advisory Services (Separately Managed Accounts)

SCG also provides non-discretionary investment advisory services to separately managed accounts of natural persons and trusts. Although the composition of the investments within such accounts vary amongst clients, the separately managed accounts include, but are not limited to, investments in exchange traded securities, non-exchange traded securities, pooled investment vehicles, structured products, debt securities and corporate bonds. Under SCG’s non-discretionary investment management agreements with such clients, the client is solely and ultimately responsible for making all investment decisions (including any purchase or sale decisions) with respect to any assets in such separately managed account.

Assets Under Management

As of April 30, 2021, SCG had approximately \$207,305,000 in regulatory assets under management that are managed on a non-discretionary basis. As of the same date, SCG had \$0 in regulatory assets under management that are managed on a discretionary basis.

Item 5: Fees and Compensation

Fees and Compensation – Funds

SCG and the Fund General Partner typically receive compensation from the Funds in the form of fees based on a percentage of assets under management and performance-based profit allocations. The fees applicable to each Fund are set forth in detail in the respective Fund's confidential private placement memorandum or other applicable governing document. A brief summary of such fees is set forth as follows:

Management Fee

The Master Fund pays SCG a management fee, which is calculated and payable quarterly in advance at an annual rate of 1.75% of each limited partner's capital account balance. SCG and its affiliates reserve the right to waive or reduce, and have waived or reduced, management fees for certain investors in the Funds, including employees, family members, strategic partners, advisors, consultants and others, as may be determined in SCG's sole discretion. All management fees received by SCG are deducted directly from the Master Feeder's account.

Performance Allocation

Generally, at the end of each quarter, the Fund General Partner is entitled to a performance-based profits allocation at an annual rate of 20% of the net profits (both realized and unrealized) of the Master Fund, subject to a "high-water mark". A "high-water mark" ensures that the Fund General Partner receives performance compensation only when an investor's account value for the year has recovered any losses from prior years. The performance allocation with respect to certain investors may be reduced or waived by the Fund General Partner in its sole discretion.

The Fund General Partner deducts its performance-based compensation described above from the applicable Fund's account at the end of each quarter, or whenever an investor in a Feeder Fund is making a withdrawal or redemption, as applicable, but only on the withdrawn or redeemed amount.

Other Expenses Charged to the Funds

Each Fund bears all costs and expenses arising in connection with the operation of such Fund, and (in case of each Feeder Fund), indirectly, its *pro rata* share of costs and expenses arising in connection with the operations of the respective Master Fund, including, without limitation, (i) all costs and expenses directly related to portfolio investments or prospective investments of such Fund, including brokerage commissions and other transaction costs, expenses related to proxies, underwriting and private placements, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees and fees of professional advisors and consultants relating to investments or prospective investments; (ii) any withholding or

transfer taxes imposed on such Fund or any of its investors; (iii) any governmental, regulatory, licensing, filing or registration fees and expenses incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws in connection with such Fund or the respective Master Fund and their investment portfolio; (v) any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against such Fund, SCG, or the Fund General Partner in its capacity as such; (vi) the cost of the audit of such Fund's financial statements and the preparation of its tax returns; (vii) the fees and expenses of such Fund's accountants in connection with accounting advice relating to such Fund's day-to-day affairs and all costs related to the keeping of the books and records of such Fund; (viii) the fees and expenses of such Fund administrator; (ix) the fees and expenses of such Fund's counsel in connection with advice directly relating to such Fund's legal affairs; (x) the costs of any outside appraisers, accountants, attorneys or other experts engaged by SCG as well as other expenses directly related to such Fund's investment program; (xi) specific expenses incurred in obtaining systems, research and other information utilized for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software; (xii) all costs and expenses associated with the organization of such Fund and the offering of interests, including legal and accounting fees, printing costs, and out-of-pocket expenses and compliance with any applicable federal and state laws; (xiii) the costs and expenses of holding any meetings of investors which are required to be held under the terms of the partnership agreement or articles of association or bylaws, as applicable; (xiv) the expenses of an advisory committee, if any, and the members thereof; (xv) the costs of any liability insurance obtained on behalf of such Fund, SCG and the Fund General Partner and (xvi) all costs and expenses associated with reporting and providing information to existing and prospective investors. SCG is entitled to reimbursement from such Fund for any of the above expenses paid by it on behalf of such Fund. However, SCG may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund.

SCG has policies and procedures that seek to ensure (i) that each Fund only bears expenses that are permissible under the relevant limited partnership agreement or other applicable governing documents, and (ii) that shared expenses are allocated in a manner that is fair to all Funds. As a general matter, any expenses shared by more than one Fund are allocated pro-rata based on each Fund's capital.

Fees and Compensation – Separately Managed Accounts

SCG receives compensation from the separately managed accounts on an annual basis in arrears. These advisory fees are fixed fee arrangements that are specifically detailed in each client's investment management agreement, are negotiable and are billed to the clients on an annual basis. If an investment management agreement is terminated before the end of the billing period, the advisory fee for the separately managed account client will be billed on a pro-rata basis for the number of days that the agreement was in effect.

In addition to SCG's annual advisory fee, clients with separately managed accounts generally will bear all other fees, costs, expenses or liabilities related to the such accounts. Examples of such fees and costs include, but are not limited to, custodian bank fees, trade transaction and settlement fees (e.g., commissions, markups and other related fees charges by broker-dealers and intermediaries), foreign currency exchange transactions, wire transfer or any other fees or taxes imposed by the custodian bank, broker-dealers or other intermediaries.

SCG may recommend that separately managed account assets be invested in unregistered private funds, registered funds and other similar pooled investment vehicles. In these cases, the client generally will bear its pro rata share of the investment management and other fees imposed by the specific fund but ultimately borne by such fund's investors, and are in addition to the annual advisory fee paid to SCG. Such fund expenses incurred, if any, will be borne by participating clients in a manner proportionate to such client's participation in a fund (i.e., a client will not bear a disproportionate amount of transaction expenses relative to its proportion of beneficial ownership in a fund).

Other Information about Brokerage Practices

For additional information regarding brokerage practices, please refer to Item 12 of this Brochure.

Item 6: Performance-Based Fees

As described in Item 5 above, SCG and/or its affiliates may receive compensation from the Funds in the form of performance-based compensation (see Performance Allocation). Such performance-based compensation may give rise to conflicts of interest with respect to SCG and its affiliates in connection with the advisory services provided to its clients. For example, the existence of performance-based compensation with respect to the Fund creates a potential incentive for SCG to (i) disproportionately allocate time, services or functions to, (ii) direct certain investment ideas or recommendations to, or (iii) allocate the sequence of trades in favor of, clients that have a performance-based compensation arrangement more favorable to SCG (such as the Funds) as opposed to other clients (such as the separately managed accounts) that do not have a performance-based fee structure. As described in more detail in Items 11 and 12, SCG has established certain compliance policies and procedures that aim to address such conflicts of interest, including but not limited to its Code of Ethics and investment allocation procedures. With respect to the management of the Funds, SCG and the Fund General Partner will also comply with any applicable requirements imposed under such Fund's Governing Documents.

Item 7: Types of Clients

SCG's investment advisory clients include the Funds and clients in separately managed accounts. Investors in the Funds or holders of the separately managed accounts may include, but are not limited to, high-net-worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds of funds), trusts, estates or charitable organizations, and corporate or business entities.

Each of the Funds generally requires a minimum investment of \$10,000,000; however, SCG maintains discretion to accept less than the minimum investment threshold.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be "accredited investors" as defined in Regulation D, "qualified purchasers" as defined in the Investment Company Act, as amended, or non-"U.S. Persons" as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell

or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Funds and separately managed accounts, and investment strategies pursued and investments made by us on behalf of the Funds and separately managed accounts, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Fund's and separately managed account's investment objectives and guidelines as set forth in their respective offering and governance documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Fund or separately managed account will be achieved.

The Funds seek to provide investors with attractive risk adjusted returns by taking advantage of volatility in the equity markets. Our aim is to construct a diversified portfolio of structured products in which the components do not exhibit significant correlation and do not draw down losses simultaneously. The strategy centers around the use of structured products as a prudent way to earn significant coupon yields while minimizing downside risk through structure and diversification. The Fund will seek to invest in a basket of short-term structured products, diversified across industry, company, observation dates, maturity/expiration dates, barrier levels, investment-grade issuers, etc.

The composition of the investments in separately managed account portfolios vary from client to client and may include, but not be limited to, investments in exchange traded securities, non-exchange traded securities, pooled investment vehicles, structured products, debt securities and corporate bonds.

All investments, whether through a Fund or a separately managed account, entail substantial risks, and clients and Fund investors should be prepared to bear the loss of the amount invested. The following risks are not intended to be a complete list or explanation of the risks involved in an investment in the Funds, a separately managed account or strategies advised by the Firm. Each prospective investor should carefully review the relevant offering and governing documents before deciding to invest with SCG.

Risk of Loss

All investments risk the loss of capital. No guarantee or representation is made that SCG's investment program will be successful, and investment results may vary substantially over time. Careful consideration should be given to, among others, the risk factors described in this section.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks we believe to be material, significant or unusual and that relate to particular, significant investment strategies or methods of analysis employed by us. For additional risk factors, including risk factors relating to the terms and structure of the Funds, investors should refer to each of the relevant Feeder Fund's confidential

private placement memorandums.

Past Performance. The Funds' investment program is speculative and may entail substantial risk, and there can be no assurance that such Fund will achieve its investment objective. The past investment performance of such Fund, the Investment Manager, or the Principal may not be indicative of the future results of an investment in such Fund.

Investment Judgment. The profitability of a significant portion of the Funds' investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that SCG will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Funds, there is always some, and occasionally a significant, degree of market risk.

Use of Leverage. SCG may leverage a Fund's portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to investors if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to investors if a Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that a Fund leverages its portfolio, fluctuations in the market value of such Fund's portfolio will have a significant effect in relation to the Fund's capital and the risk of loss and the possibility of gain will each be increased. In addition, when a Fund utilizes leverage, the level of interest rates generally, and the rates at which a Fund can borrow in particular, will be an expense of a Fund and therefore affect the operating results of a Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of a Fund's portfolio. Each Fund may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to such Fund.

Reliance on Key Persons. The Funds are substantially dependent on the services of the Principal. In the event of the death, disability, departure or insolvency of the Principal, or the complete transfer of his interest in SCG, the business of the Funds may be adversely affected. The Principal devotes such time and effort as he deems necessary for the management and administration of the Funds' business. However, the Principal may engage in various other business activities in addition to managing the Funds, and consequently, he may not devote his complete time to Fund business.

Retention and Motivation of Employees. The success of the Funds is dependent upon the talents and efforts of highly skilled individuals employed by SCG and the ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that SCG's investment professionals will continue to be associated with SCG throughout the life of the Funds, and the failure to attract or retain such investment professionals could have a material adverse effect on the Funds and the investors' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of SCG's investment professionals could be replaced.

Fund Redemptions Limited. SCG may suspend the right of any Fund investor to redeem interests in a Fund or to receive redemption proceeds from a Fund in unique circumstances, including, without limitation, market disruptions in securities, commodities, derivatives, or other instruments; market-stress circumstances including the closing of, or suspension or restriction of trading on, any stock

exchange, or other market on which our investments are traded; state of emergency or unusual volatility or illiquidity in the market; circumstances that render the liquidation of a significant portion of our investments not reasonably practicable or materially prejudicial to investors; breakdown occurs in the means normally employed to determine the fair valuation of a substantial portion of our assets making valuation, and therefore, net asset value calculation or liquidation of assets not reasonably practical, difficult or would result in losses if a Fund attempted liquidations; an event occurs that would cause dissolution of a Fund; where a redemption would cause a Fund or SCG to violate securities or commodities or other laws; or other unusual circumstances that cause redemptions or withdrawals to be impracticable, or would materially adversely affect a Fund or the other members in such Fund, under the economic or market conditions, until such time as SCG shall, in its discretion, by notice to all members of such Fund, reinstate such rights. In addition, Fund investors' ability to withdraw capital, and thereby recognize profits or prevent losses, is restricted. Typically, Fund capital cannot be withdrawn until one year after the capital was contributed. After such time, investors may withdraw up to 25% of its capital account at the end of any quarter by giving sixty (60) days' written notice.

Structured Notes. A structured note is an unsecured debt security of another issuer, most often issued by an investment bank, which uses derivatives to create a return. Therefore, when a Fund invests in structured notes, it will bear the risk that the issuer becomes insolvent and cannot pay back the note. Structured notes are not secured by assets of the issuer. Structured notes are generally not freely tradable and, therefore, SCG may not be able to sell a structured note if it chooses to sell off its investment in a specific note. Structured notes are generally intended to deliver above market returns while limiting downside risk. SCG intends to utilize its proprietary trading principles to design unique structured notes. Such notes may have one to five-year maturities, have very limited marketability, if any, and are highly illiquid.

Risks of Investments in Options. Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception of the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited because the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price that may, upon exercise of the option, be significantly different from the market value.

Put and Call Options on Specific Investments. The Funds may purchase exchange-listed and OTC put and call options on specific investments. In addition, the Funds may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investment at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investment at a stated exercise price at any time prior to the expiration of the option. Options written by the Funds may be wholly or partially covered (meaning that the Funds hold an offsetting position) or uncovered. Options on specific investments may be used by the Funds to seek enhanced profits with respect to a particular

investment. Alternatively, they may be used for various defensive or hedging purposes. For example, they may be used to protect against a future adverse change in the market price of particular portfolio investments held by the Funds without requiring a sale of the investments.

Use of put and call options may result in losses to the Funds, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Funds can realize on their investments or cause the Funds to hold an investment they might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by the Funds to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to the Funds than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in the Funds realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent that the call option position was uncovered.

Other Derivative Investments. Derivatives include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. There are a number of other risks, however, associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is consummated, a relatively small adverse market movement may expose a Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

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

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

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the EU Regulation on OTC Derivatives,

Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”) and similar regulations globally. Though many rules and regulations have been finalized, others, particularly SEC regulations with respect to security-based swaps and EMIR regulations, are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on the Funds:

Reporting. Most swap transactions have become subject to anonymous “real time reporting” requirements, such that information relating to transactions entered into by the Funds will become visible to the market in ways that may impair the Funds’ ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate the Funds’ strategies.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through central clearinghouses.

While such clearing requirements may be beneficial for the Funds in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Funds would be exposed under non-cleared derivatives), the Funds could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the Funds may not be able to hedge their risks or express an investment view as well as they would have been able to had they used customizable derivatives available in the over-the-counter markets. In addition, the Funds may have to split their derivatives portfolios between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Another risk is that the Funds may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the Funds’ FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject the Funds to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Funds. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Funds to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Funds. In addition, clearinghouses may not allow the Funds to portfolio-margin their positions, which may increase the Funds’ costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Funds

would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and the Funds' FCM, subjecting the Funds to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment obligations, leading to a payment default. If a clearinghouse or FCM were to sustain large losses or fail, there could be a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Highly Volatile Instruments. The prices of derivative instruments, including options, can be highly volatile. Price movements of forward contracts and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds also are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

Debt Securities. The Funds may invest in unrated or low-grade debt securities, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Funds may invest in debt securities, which are not protected by financial covenants or limitations on additional indebtedness. Lower or unrated securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Investors should be aware that ratings are relative and subjective and are not absolute standards of quality. Subsequent to its purchase by the Funds, an issue of securities may cease to be rated or its rating may be reduced. Neither event will require sale of such securities by the Funds, although SCG will consider such event in its determination of whether the Funds should continue to hold the securities. The market value of securities in lower-rated categories is more volatile than that of higher quality securities. In addition, the Funds may have difficulty disposing of certain of these securities because there may be a thin trading market. The lack of a liquid secondary market for certain securities may have an adverse impact on the Funds' ability to dispose of such securities and may make it more difficult for the Funds to obtain accurate market quotations for purposes of valuing the Funds and calculating the value of its net assets.

Model Risk. SCG employs numerous proprietary models when analyzing investment decisions. There may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected using models may perform differently than expected as a result of the factors used in the models, changes from the factors' historical trends, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues). Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the

behavior of other market participants. Operation of a model may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. There is no guarantee that the use of these models will result in effective investment decisions for the Funds.

Liquidity of Investments. A Fund may acquire illiquid investments, which are often difficult to dispose of quickly. In addition, investments that were once liquid may become illiquid, making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. In that event, the Funds' ability to respond to market movements may be impaired and the Funds may experience adverse price movements upon liquidation of its investments. Illiquid or thinly traded investments comprise a substantial portion of the Funds' portfolio.

Formation of New Funds. SCG may, under certain conditions, establish additional investment vehicles which may be competitive with the Funds, and there can be no assurance that the creation of such additional funds will not give rise to conflicts of interest between the investors in the respective Funds.

Diversification. Since the Funds' portfolios will not necessarily be widely diversified across types of securities, the investment portfolios of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wider diversification among companies, securities and types of securities. This limited diversification may result in the concentration of risk, which, in turn, could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Trading Errors. Pursuant to the exculpation provision in the respective constituent document, such Fund (not SCG or the Fund General Partner or any of their indemnitees or covered persons) will be responsible for any losses resulting from trading errors and similar human errors, absent willful misconduct, recklessness, or gross negligence of SCG, the Fund General Partner or any of their indemnitees or covered persons, or the inability to waive or limit such losses under applicable law. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume of transactions executed by SCG and its affiliates on behalf of such Fund, investors should assume that trading errors (and similar errors) will occur and that such Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of SCG or its affiliates.

Nature of Investments. SCG has broad discretion in making investments for the Funds. Investments generally consist of securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that SCG will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the Funds' portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objective will be achieved.

Risks of Investments in Securities Generally. All investments made by the Funds risk the loss of

capital. No guarantee or representation is made that the Funds' investment program will be successful, that the Funds will achieve their targeted returns, or that there will be any return of capital invested, and investment results may vary substantially over time. The investment program involves, without limitation, risks associated with limited diversification, leverage, margin transactions, volatility, tracking risks in hedged positions, credit deterioration or default risks, systems risks and other risks inherent in the Funds' activities. Certain investment techniques of the Funds can, in certain circumstances, magnify the impact of adverse market moves to which a Fund may be subject. In addition, the Funds' investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Funds may invest their assets.

Market Conditions. The Funds, their prime broker(s) and/or other financial institutions' financial condition may be adversely affected by market conditions and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Funds' business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on the Funds' ability to achieve their investment objective with respect to any particular investment and/or the Funds' entire portfolio, which could have a material adverse effect on the Funds' overall return objectives.

Equity Securities Generally. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from SCG's expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies making initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and thus for the value of such Funds' interests.

Short Sales. The Funds may enter into transactions, known as "short sales," in which they sell a security they do not own in anticipation of a decline in the market value of the security. Short sales by the Funds that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. SCG may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, SCG might have difficulty purchasing securities to meet short-sale delivery obligations, and might have to sell portfolio securities of the Funds to raise the capital necessary to meet short sale obligations at a time when fundamental investment considerations would not favor such sales.

Credit Default Swaps. Credit default swaps can be used to implement SCG's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the Funds may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of the Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Funds may also buy credit default protection with respect to a referenced entity if, in SCG's judgment, there is a high likelihood of credit deterioration. In such instance, the Funds will pay a premium regardless of whether there is a credit event.

Futures Contracts. The value of futures contracts depends upon the price of the securities (e.g., such as commodities) underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Funds' positions trade or of their clearinghouses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent them from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Non-U.S. Futures Transactions. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Funds may not be afforded certain of the protections that apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time that the order is placed and the time that the foreign futures contract is liquidated or the time that the foreign option contract is liquidated or exercised.

Restricted Securities. Clients may invest in securities that are not registered under the Securities Act of 1933, including securities representing interests in private equity and hedge funds ("restricted

securities”). Restricted securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities are less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realized from the sales, due to illiquidity, could be less than those originally paid by a client or less than their fair market value. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held as assets are required to be registered under the securities laws of one or more jurisdictions before being resold, a client may be required to bear the expenses of registration.

Private Equity and Hedge Funds. A client may invest in securities representing limited partnership interests (or their equivalent) in private equity and hedge funds. Such investments are generally subject to the risks described above under “Restricted Securities,” including with respect to restrictions on transfer or resale, the lack of liquidity to which such investments may be subject and the effect of such illiquidity on valuations, and the loss of certain protections offered under the securities laws to holders of registered securities. In addition to the foregoing, a client’s investments in hedge funds may be subject to other risks, including, without limitation, the risk that restrictions on redemptions may prevent a client from exiting a hedge fund investment during periods of market stress. Investments in private equity and hedge funds are speculative and may subject a client to the risk that the strategy chosen by the fund’s investment manager to achieve the fund’s objective will not be successful. As a limited partner (or its equivalent), the client will have little or no control over the management of a private equity or hedge fund in which it is invested or the investment decisions of the fund’s investment manager.

Counterparty Risk. The counterparty risk lies with each party with whom the respective Fund contracts for making derivative investments (a “Counterparty”). In the event of a Counterparty’s default, such Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive. In addition, there can be no assurance that such Fund will be able to establish or maintain any relationships with a particular Counterparty. An inability to establish or maintain such relationships could limit such Fund’s trading activities, create losses, preclude such Fund from engaging in certain transactions or prevent such Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on such Fund’s business due to such Fund’s reliance on such Counterparties.

Counterparty Creditworthiness. In addition to the exchange-traded and exchange-cleared options contracts, the Funds may also invest in the OTC market in contracts that involve dealing with Counterparties and their ability to meet the terms of the contracts. In particular, the Funds may enter into repurchase agreements, forward contracts and swap arrangements, each of which expose the Funds to credit risk to the extent that the Counterparty defaults on its obligations to perform under the relevant contract. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the respective Fund enters into a contract directly with dealer Counterparties, which may expose such Fund to the risk that a Counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the Counterparty. Delays in settlement may also result from disputes over

the terms of the contract (whether or not bona fide). In addition, such Fund may have a concentrated risk in a particular Counterparty, which may mean that if such Counterparty were to become insolvent or have a liquidity problem, losses would be greater than if such Fund had entered into contracts with multiple Counterparties. Certain OTC derivative contracts require that such Fund post collateral.

If there is a default by a Counterparty, the respective Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs that could result in the net asset value of such Fund being less than if such Fund had not entered into the transaction. Furthermore, there is a risk that any of such Counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of such Fund's securities from such Counterparty or the payment of claims therefor may be significantly delayed and such Fund may recover substantially less than the full value of the securities entrusted to such Counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceedings and may impact whether such Fund may terminate its agreement with an insolvent Counterparty.

Collateral that such Fund posts to its Counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a Counterparty were to become insolvent, the respective Master Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, the respective Fund may use Counterparties located in jurisdictions outside the United States. Such local Counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to such Fund's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a Counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on such Fund and its assets. Investors should assume that the insolvency of any such Counterparty would result in significant delays in recovering such Fund's securities from or the payment of claims therefor by such Counterparty and a loss to such Fund, which could be material.

Coronavirus Risks. In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities throughout the world. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. The extent to which COVID-19 may negatively affect the operations of SCG and the performance of the Funds and the separately managed accounts is difficult to predict. Any potential impact on such operations and performance will depend largely on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds and the separately managed accounts.

Cyber Security Breaches and Identity Theft. As part of its business, SCG processes, stores and

transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers of SCG, the Funds, and especially the administrator, may process, store and transmit such information. SCG's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although SCG has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, SCG and/or the Funds may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in SCG's and/or the Funds' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm SCG's and/or the Funds' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

In addition, the techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to SCG may be susceptible to compromise, leading to a breach of SCG's network. SCG's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by SCG to the investors may also be susceptible to compromise. Breach of SCG's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed. The service providers of SCG and the Funds are subject to the same electronic information security threats as SCG. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of SCG's or the Funds' proprietary information may cause SCG or the Funds to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

Investment and Due Diligence Process. Before making investments, SCG conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, SCG may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, SCG relies on the resources reasonably available to it, which in some circumstances, whether or not known to SCG at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

Increased Regulatory Oversight. Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on SCG, including,

without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert SCG's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Systems and Operational Risks Generally. The Funds depend on SCG to develop and implement appropriate systems for the Funds' activities. The Funds rely heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain securities, to monitor their portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, the Funds rely on information systems to store sensitive information about the Funds, SCG, their affiliates and the investors. Certain of the Funds' and SCG's activities are dependent upon systems operated by third parties, including prime brokers, the administrator, market counterparties and other service providers, and SCG may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by SCG, prime brokers, the administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors' investments therein.

Other Risks. The securities purchased by the Funds and the ability of the companies which issued such securities to pay their debt on schedule could be adversely affected by interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. The investments of the Funds are also subject to inflation risks associated with all investments.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read this entire Form ADV Part 2A and consult with their own advisers before deciding to invest in the Funds. In addition, as the investment program of the Funds develop and change over time, an investment in the Funds may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

In view of the foregoing considerations, an investment in interests is suitable only for investors who are capable of bearing the relevant investment risks.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Neither SCG nor any of its directors, officers or principals is registered as a broker-dealer or a representative of a broker-dealer or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither SCG nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of the foregoing entities.

Affiliations with Pooled Investment Vehicles

SCG sponsored the formation of the Funds. These Funds (including any that may be formed in the future) are private investment funds where SCG serves as the sole Investment Manager. As such, SCG has/will select the managers and directors for the Funds. Although this arrangement gives SCG heightened control and discretion over its clients, SCG seeks to manage any conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each Feeder Fund's private offering memoranda.

SCG does not recommend or select other investment advisers for its clients.

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

Pursuant to Rule 204A-1 under the Advisers Act, SCG has adopted a written Code of Ethics (the "Code") predicated on the principle that SCG owes a fiduciary duty to its clients. The Code is designed to identify and properly disclose, mitigate and/or eliminate applicable conflicts of interest and is applicable to all officers, directors, members, partners or employees of SCG (the "Employees"). SCG requires its Employees to act in the clients' best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper. The Code, among other things, provides for the following:

- all Employees are subject to pre-clearance procedures for certain personal securities transactions;
- all Employees are prohibited from trading, either personally or on behalf of others, in securities except in situations where SCG believes such personal investments will not create a conflict of interest between SCG, its Employees and its clients;
- all Employees are required to submit regular reports of certain holdings and security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest;
- Employees are required to certify annually that they will follow SCG's Code, including its insider trading policies and procedures; and
- Independence in the investment decision-making process must be maintained at all times.

- A copy of SCG's Code is available upon request.

Generally, Employees are not permitted to invest in securities that would be an appropriate investment for SCG's clients because of investment parameters, guidelines or restrictions (e.g., market capitalization, trading volume or other liquidity measures) that may be applicable to such clients. However, in limited circumstances, the Chief Compliance Officer may permit Employees to invest in the same securities that they recommend to clients provided that all such trades are executed in a manner consistent with SCG's fiduciary obligations to its clients. Additionally, SCG's Chief Compliance Officer must review and pre-approve most types of personal securities trades made by Employees and may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

Under certain circumstances, SCG may recommend that certain of its non-discretionary separately managed advisory clients invest in securities in which SCG or its affiliates have a financial interest or are investment vehicles that are managed by SCG and its affiliates (such as the Funds). This presents a potential conflict of interest given that SCG may be viewed to have a potential incentive to make such recommendations due in part to such factors. However, any investment decision to purchase such securities will be made solely and ultimately by the client as investment recommendation provided by SCG with respect to such separately managed accounts will be non-discretionary in nature. In addition, investment recommendations provided by SCG will be in accordance with any applicable requirements under its compliance policies and procedures, including its Code of Ethics.

With respect to SCG's allocation of investment opportunities with respect to multiple clients, please also see Item 12.

Co-Investment Opportunities

SCG and/or its affiliates may, from time to time, offer one or more investors in the Funds and/or other third-party investors the opportunity to co-invest with a client account in particular investments. SCG and its affiliates are not obligated to arrange co-investment opportunities, no investor will be obligated to participate in such an opportunity, and SCG may offer co-investment opportunities only to certain of the persons referenced above in its sole discretion. SCG and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular investor and may allocate co-investment opportunities to investors in any of the Funds or to third parties. If SCG determines that an investment opportunity is too large for a client account, SCG and its affiliates may, but will not be obligated to, make proprietary investments therein. SCG or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and may differ from the fees and/or allocations borne by investors in a Fund. Other terms and rights applicable to such co-investors (including without limitation, withdrawal rights, information rights and the terms related to the particular structure of any co-investment vehicle) may also differ from the terms and rights applicable to investors in a Fund as well as among co-investors.

Item 12: Brokerage Practices

Transactions for the Funds and separately managed account(s) are allocated to broker-dealers on

the basis of best execution available in light of the overall quality of brokerage, prime brokerage, financing and other services provided. SCG is authorized to determine the broker dealer to be used for each securities transaction for its Funds and managed accounts. In selecting broker dealers to execute transactions, SCG will consider the following factors, among others: the financial stability and reputation of the broker, SCG's experience with the broker, investment strategies, special execution capabilities, clearance, settlement, custody, and other services provided by such broker. SCG need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. SCG does not request or permit investors to direct brokerage. Each Fund and managed account's securities transactions generate brokerage commissions and other compensation, all of which the respective Fund and/or managed account, not SCG, will be obligated to pay. The Firm has complete discretion in deciding what broker dealers each Fund and/or managed account will use and in negotiating the rates of compensation a Fund and/or managed account will pay. In addition to using brokers as "agents" and paying commissions, each Fund and/or managed account may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Research and brokerage services within Section 28(e) may include, but are not limited to: research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; analyses concerning specific securities, companies or sectors; data services (including services providing market data, company financial data and economic data); services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer); and trading software operated by a broker-dealer to route orders. At this time SCG is not a party to, and does not anticipate entering into, any formal "soft dollar" arrangements with respect to client account securities transactions, as further described above.

SCG personnel or affiliates may speak at conferences and programs for potential investors interested in investing in private funds or managed accounts. Through such capital introduction events, prospective investors have the opportunity to meet with SCG personnel. Neither SCG nor the Fund and/or separately managed accounts compensates the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events. These events and other services (including, without limitation, capital introduction and business consulting services and technology) provided by a prime broker to the Funds may be a factor in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Funds or separately managed accounts.

SCG does not have any directed brokerage agreements.

Also, it is not expected that opportunities to aggregate the purchase or sale of securities will occur frequently. However, when such opportunities arise with respect to the potential investment by multiple clients in same security or investment, SCG intends to trade such securities on an aggregated basis and allocate such securities among its participating clients on a pro rata basis at the average price in accordance with its compliance policies and procedures.

Item 13: Review of Accounts

SCG's personnel regularly review the separately managed accounts and Funds' current investments and discuss potential investment opportunities. SCG has systems that allow its personnel to monitor portfolio investments by various metrics, which may include security concentration, geographic exposure, sector exposure, liquidity, beta, value at risk and leverage.

Fund investors generally will be provided with (1) monthly reports including details on fund performance, (2) annual management update letters and (3) audited annual financial statements prepared in accordance with GAAP. In addition, at the request of certain shareholders or limited partners, due to legal and regulatory constraints that must be followed and/or the specific needs of and requests by such shareholders and/or limited partners, SCG may, at its discretion, agree to provide such shareholders and/or limited partners with updates or reports other than those described above.

Separately managed account clients will be provided with financial reports at least annually and more frequently upon request by the separately managed account client.

Item 14: Client Referrals and Other Compensation

SCG may pay any person for client referrals. In the event of a referral arrangement agreed upon by SCG and a third-party solicitor for referral of an investor or separately managed account, SCG would require the third-party solicitor to provide a written disclosure document to the referred client or investor. Referred clients and investors should ensure that they receive and read the disclosure document from the third-party solicitor.

Item 15: Custody

SCG is deemed to have custody over the assets of the Funds according to the custody rule set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). As a result, SCG intends to comply with the Custody Rule with respect to the Funds by providing to investors in the Funds within 120 days of the end of the fiscal year financial statements of each Fund that are audited by an independent public accountant and are prepared in accordance with United States generally accepted accounting principles.

Item 16: Investment Discretion

SCG maintains the authority to manage the Funds' assets on a discretionary basis in accordance with the terms set forth in the Funds' governing documents. SCG entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which SCG or an affiliate of SCG was granted discretionary trading authority. Fund investors may not impose any limits on SCG's discretionary authority.

Item 17: Voting Client Securities

SCG does not exercise voting rights on behalf of its Funds or separately managed accounts. Unless other arrangements are made, clients will receive proxies or other solicitations (if any) directly from

their custodian or transfer agent.

Item 18: Financial Information

Not applicable.