

**Item 1: Cover Page**

**ALPHA SQUARE GROUP S, LLC**

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**Form ADV Part 2A  
Firm Brochure**

**March 31, 2022**

This brochure provides information about the qualifications and business practices of Alpha Square Group S, LLC, an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact Peter S. Lin, Chief Compliance Officer, at (646) 503-6625 or [peter.lin@alphasquaregroup.com](mailto:peter.lin@alphasquaregroup.com). The information in this brochure has not been approved or verified by the SEC or any state securities authority.

Additional information about the supervised persons listed in this brochure supplement is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply any level of skill or training.

## **Item 2 - Material Changes**

This is Alpha Square Group S, LLC's ("**Alpha Square**") Annual Amendment to Form ADV. We have made updates and clarifications since the Firm's most recent Other-Than-Annual amendment filed on October 15, 2021. Although we do not believe these updates and clarifications constitute material changes, a summary of certain updates and clarifications have been provided below. Alpha Square encourages readers to review this brochure carefully.

Item 4 has been updated to describe Alpha Square's origins as a family office and list special purpose entities through which Alpha Square may make certain investments.

Item 8 has been updated to include (i) additional disclosure regarding the Crossover Fund, FOF and Asia Fund and (ii) additional risk disclosure regarding epidemics, fund of fund investing, and digital assets investments.

Item 10 has been updated to describe regular communications with the Anchor LP.

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## Item 4 - Advisory Business

Alpha Square Group S, LLC (the “**Adviser**”, the “**Firm**”, “**Alpha Square**” or “**ASGS**”) is a Delaware limited liability company with its principal office and place of business in New York, New York. ASGS was formed in May 2017, founded by its principals ZiQiang (Ivan) Shaw and Chief Executive Officer Lei (Renee) Li. The Firm has its origins as a single-family office providing investment advisory services to one ultimate beneficial owner and her family (our “**Anchor LP**”). In 2020, ASGS began managing assets from investors other than our Anchor LP. The Anchor LP represents a substantial portion of the Firm’s assets under management but neither controls nor is involved in the day-to-day management of the Firm.

ASGS currently provides investment advisory services to: Alpha Square Group Fund I, LLC (“**Fund I**”), Alpha Square Group Fund II, LLC (“**Fund II**”), Alpha Square Group Fund of Funds, LLC (“**FOF**”) and Alpha Square Group Crossover Fund LLC (the “**Crossover Fund**”), each a Delaware limited liability company; Alpha Square Group Equity Fund, LP (the “**Equity Fund**”) and Alpha Square Group Fund III LP (“**Fund III**”), each a Delaware limited partnership; and Alpha Square Group Offshore Asia Fund, Ltd, a Cayman Islands Company Limited by Shares (the “**Asia Fund**”). ASGS also currently provides investment advisory services to the following special purpose vehicles: Alpha Ocean II LLC, Alpha Talk, LLC, Alpha Minr Investment LLC, Alpha Feedz, LLC, Alpha Flash Investment, LLC, Alpha Robot Investment II, LLC, Alpha Vast Investment LLC, Alpha People Investment, LLC and Alpha Bit LLC, each a Delaware limited liability company (collectively, “**SPVs**”, and together with Fund I, Fund II, FOF, the Crossover Fund, the Equity Fund, Fund III and the Asia Fund, collectively, the “**Funds**” or “**Clients**,” and each a “**Fund**” or “**Client**”). The Funds are private, pooled investment vehicles for sophisticated, accredited investors, including high-net-worth individuals, funds of funds, family offices, endowments and other institutions. ASGS follows the investment objectives, guidelines and restrictions set forth in the applicable governing and/or offering documents of each Fund.

ASGS will tailor its specific advisory services with respect to each Fund based on the particular investment objectives and strategies described in, for example, a Fund’s private placement memorandum (“**PPM**”) (if any), limited liability company operating agreement or limited partnership agreement, investment advisory/management services agreement and other related documents (referred to collectively as the “**Governing Documents**”). ASGS’s advisory services are provided to the Funds pursuant to the terms of a separate management services agreement between ASGS and each Fund. Alpha Square Group GP I LLC, which serves as the General Partner to Fund I, Fund II, the Crossover Fund and FOF, Alpha Square Group GP II LLC, which serves as the General Partner to the Equity Fund and each SPV, and Alpha Square Group GP III LLC, which serves as the General Partner to Fund III, are ASGS affiliates (each a “**General Partner**” and collectively, the “**General Partners**”). ASGS also sponsors and advises co-investment vehicles and other special-purpose investment vehicles. Throughout this Brochure, reference to ASGS should be deemed to include reference to the General Partners, as the affiliates are under common control and provide services substantially through the same persons. The Funds do not offer interests to the public, and Fund interests are only offered in private placements to accredited investors. The terms applicable to investors in the Fund are detailed in the Fund’s Governing Documents, which are provided to prospective investors.

ASGS generally invests in growth stage private companies across enterprise software; fintech technology, media & telecom; healthcare and real estate sectors but may focus on other sectors from

time-to-time as markets and economic factors change. Through the Equity Fund and the Crossover Fund, ASGS also invests in the securities of companies listed on recognized stock exchanges that ASGS believes can provide positive returns relative to the general equity securities market.

The Funds are managed according to each Fund's Governing Documents and investors in the Funds should refer to the applicable Fund's governing documents for information about such fund's strategies, objective and investment program. ASGS generally does not take the specific circumstances of individual investors in the Funds into account in making investment decisions for the Fund (with the exception of Funds that have a single ultimate beneficial owner). All discussion of the Funds in this Brochure, including but not limited to their investments, the strategies used in managing the Funds, and conflicts of interest faced by ASGS in connection with the management of the Clients are qualified in their entirety by reference to the Governing Documents.

ASGS does not participate in wrap fee programs.

As of December 31, 2021, ASGS had regulatory assets under management of approximately \$1,313,260,000. All assets were managed on a discretionary basis.

## **Item 5 - Fees and Compensation**

ASGS generally receives Management Fees and Carried Interest (each as defined below) from and with respect to each Fund in accordance with the terms and conditions set forth in the applicable Governing Documents. The portfolio companies in which the Funds invest (including those companies in which the Funds proposes to make a Portfolio Investment (as defined herein)) may make other payments of fees and expenses to ASGS or its affiliates for management, consulting and other services provided to the portfolio companies. No recipient of such fees and expenses is required to remit such amounts to the Funds. Further details about these fees and expenses are set forth below. ASGS generally receives asset-based management fees from Clients for its advisory services (each a "**Management Fee**") that generally does not to exceed 2% annually of either (i) the aggregate capital committed by investors in a Fund or (ii) the aggregate funded capital contributions of the Funds on the last business day prior to calculation of the amount of such fee. The Management Fee for the Funds is generally paid quarterly in arrears and deducted from Client assets.

Our Management Fee does not include fees that may be directly or indirectly charged or assessed by underlying portfolio managers, investment advisors or investment funds. As of the date of this Brochure, however, ASGS does not collect a Management Fee from FOF, but may do so going forward with the relevant Client's understanding and consent.

In addition, in regard to the Funds, the General Partners receive performance-based fees in the form of distributions as more fully described in the Governing Documents (the "**Carried Interest**"). Please see **Item 6** below regarding Carried Interest that the Funds may pay.

The fees described above reflect ASGS's typical fee terms. However, ASGS may enter into different agreements with one or more investors in the Funds, including, but not limited to, the Anchor LP, providing for the waiver or modification of the Management Fee or Carried Interest terms pursuant to side letters or otherwise without notice to the other Fund investors.

The Funds generally bear their own expenses, including legal, accounting, brokerage, custody, administration and other expenses, which expenses are set forth in detail in the Governing Documents. Generally, the Funds will be responsible for all expenses of the Funds including, but not limited to, the following: (i) legal, accounting, auditing, custodial, regulatory, consulting and other professional fees (including, without limitation, expenses associated with the preparation of the Fund's financial statements, tax returns, and forms K-1); (ii) banking, investment banking, financial advisers, registration, qualification, finders, depositary, custodian, administration and similar fees or commissions; (iii) expenses related to investigating and evaluating investment opportunities, including travel expenses and performing due diligence including financial due diligence; (iv) all costs and expenses attributable to acquiring, holding, and disposing of the Funds' investments and assets; (v) transfer, capital and other taxes, duties, fees and governmental charges levied against the Funds; (vi) costs of financial statements and other reports; (vii) the Management Fee; (viii) organizational costs and expenses; (ix) any licensing or registration fees or expenses; and (x) normal operating or other expenses of the Funds.

ASGS expects certain Funds to reimburse it for their respective organizational expenses as provided in the Fund's respective Governing Documents. Each Fund investor is solely responsible for its own legal and tax counsel expenses and any out-of-pocket expenses incurred in connection with the organization of, its admission to, or the maintenance of its interest in, a Fund. ASGS is responsible for all of its own normal operating expenses, including rent, utilities, communications and employee salaries.

To the extent that any Client transactions are executed through a broker-dealer, the Client will incur brokerage and other transaction costs. Please refer to **Item 12 Brokerage Practices** for more information

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

As stated in Item 5 above, ASGS receives Carried Interest distributions from certain Funds in addition to Management Fees. The payments of Carried Interest are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and paid in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee, although the ASGS generally considers performance-based compensation to better align its interests with those of a Fund's investors. As a result, ASGS, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among Funds; (ii) allocating investments among Funds; and (iii) effecting transactions among Funds, including transactions in which ASGS, its principal(s), and/or affiliate(s) may have a greater financial interest. The payment of Carried Interest at varying rates for additional Funds in the future would create an incentive for ASGS and/or its affiliate(s) to disproportionately allocate time, services, or functions to Funds paying Carried Interest at a higher rate, or to allocate investment opportunities to such Funds with respect to investments with limited availability such as small capitalization securities.

ASGS currently advises sixteen Funds, which includes the nine SPVs, and may advise additional funds or special purpose vehicles with similar investment strategies on a side-by side basis in the future. The precise amount of, and the manner and calculation of, Carried Interest is detailed in the

Funds' Governing Documents. Carried Interest paid by a Fund is indirectly borne by the Fund's investors. Performance-based fees for future funds may differ from one Fund to another and may differ among investors in the same fund.

ASGS's policies and procedures address and mitigate these potential conflicts of interest to ensure that transactions and investment opportunities are allocated to the Funds, and any additional funds in the future, on a fair and reasonable basis and in accordance with the Funds' investment guidelines and Governing Documents. Generally, and except as may be otherwise set forth in the governing documents of the Fund, this conflict is currently mitigated by provisions in the Governing Documents that address side-by-side management by imposing certain limitations on the ability of the ASGS to establish new Funds.

## **Item 7 -Types of Clients**

Investors in the Funds are accredited investors, including funds of funds, family offices, endowments and other institutions, as well as high net worth individuals and trusts.

The Governing Documents for each Client may include certain stated minimum investment amounts, although ASGS may accept investments in a lesser amount at its sole discretion. ASGS generally requires a minimum investment amount of \$1,000,000 for an investor subscribing to a Fund other than the SPVs, and a minimum investment amount of \$100,000 for the SPVs, but may waive such minimum in its sole discretion, considering the totality of an investor's circumstances.

ASGS provides investment advice directly to the Funds and not individually to the investors of the Funds. All Fund investors must be accredited investors as defined in Regulation D of the Securities Act of 1933, as amended and meet other eligibility criteria established by the General Partner of each Fund.

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

ASGS seeks to generate returns for Fund I, Fund II and Fund III principally through capital appreciation, by making investments which may include, but are not limited to, illiquid controlling and minority equity interests comprised of, shares of common stock, shares of preferred stock, member ownership interests, partnership ownership interests, and other entity equity ownership interests, warrants, options other securities convertible into any such equity interests of, corporations, limited liability companies, limited liability partnerships and other entities (each, a **"Portfolio Company"** and collectively, the **"Portfolio Companies"**), and notes, loans and other debt obligations, debt securities and debt instruments of portfolio companies. It is anticipated that a number of portfolio companies will be organized and operate in the United States, Canada, Israel and the People's Republic of China and will conduct business in the technology, healthcare and real estate industries, however the Funds may invest in entities organized and operating in other countries and conducting business in other industries. Prior to making any equity or debt investment in a Portfolio Company (each, a **"Portfolio Investment"**) and after the disposition of each such Portfolio Investment, Fund I, Fund II, Fund III, the Crossover Fund and FOF may also invest unused capital in cash and cash equivalents, high-quality securities on a short-term basis and engage in other activities customary to private equity and venture capital investment funds, as determined by the ASGS.

Through the Equity Fund, ASGS seeks to achieve long-term risk-adjusted returns that are superior to broad market averages through investments in equities of companies listed on recognized stock exchanges primarily in the United States and, in limited circumstances, private companies.

Through the Asia Fund, ASGS seeks capital appreciation and/or risk adjusted returns by investing and/or trading in securities.

Through the Crossover Fund, ASGS seeks a combination of (i) capital appreciation, by making investments which may include, but are not limited to Portfolio Companies (ii) long-term risk-adjusted returns that are superior to broad market averages through investments in equities of companies listed on recognized stock exchanges primarily in the United States

Through the FOF, ASG seeks to provide attractive long-term returns for investors though investing in underlying funds managed by established or new managers.

#### **A. Investment Strategy**

##### **Fund I, Fund II, Fund III and FOF**

**Core Strategy:** To use its extensive cross border network to seek investments in high-growth, best-in-class technology companies located in North America and Asia.

**Stage:** We focus on Series B to Series D growth stage companies but will opportunistically make smaller investments in earlier or later stages when we believe appropriate. Our typical initial investment is generally sized at \$3-\$20 million into a company that has an enterprise valuation of between \$100 million to \$1 billion.

**Sector:** ASGS is focused on backing high-moat companies with the potential to become multi-billion-dollar enterprises during the life of the Fund. We focus on finding high-margin businesses in the enterprise services and fintech sectors.

**Geography:** We back companies that are founded in and focused on, the United States and China. We believe that these two countries have the highest potential to consistently produce the sort of multi-billion-dollar technology companies that we seek to invest in.

**Concentration:** We seek to diversify our portfolios into different industry verticals and geographies, but we seek to allocate the lion's share of a Fund's investments into the best performing companies. We work to achieve this by legging into our investments over time, affording us the opportunity to monitor the performance of each portfolio company and determine where a Fund's incremental dollars are best allocated.

##### **The Equity Fund**

The Equity Fund will be primarily focused on acquiring publicly held equity securities using a long/short equity strategy. The investment objective of the Equity Fund is to achieve capital appreciation by investing primarily in long and short positions of publicly traded and private companies. In addition, the Equity Fund may make private fund investments similar to the other Funds.

##### **The Asia Fund**



The Asia Fund currently intends, but is not required, to concentrate its investments in Asia, including, but not limited to, China, Hong Kong, Japan and Singapore. Investments in such regions are currently expected, but not required, to be focused on equity investments in publicly traded companies listed or headquartered in Asia (or deriving a substantial portion of their revenues from such regions as determined in the sole discretion of the Adviser) and sovereign debt issued by Asian governments.

#### The Crossover Fund

The Crossover Fund combines the investment strategy described above for Fund I, Fund II, Fund III and Asia Fund with respect to private securities and the investment strategy described above for Equity Fund for public securities.

### **B. Investment Process**

#### Fund I, Fund II, Fund III and Asia Fund

We apply strict investment criteria throughout the entire decision-making process. Any material issues identified amid the diligence process (i.e., inconsistent financials; tainted founders; material & uncontrollable market/company-specific risk, etc.) will be reported and the investment will be put on hold.

#### **1. Research**

ASGS periodically conducts in-house, data-driven global research in the Enterprise and Fintech sector verticals. We identify industry trends through attending industry conferences, consulting with industry experts, and following various trade journals/publications.

#### **2. Deal Sourcing**

We actively source hundreds of deals that enter our investment pipeline each year. This is through a combination of various sources including: 1) proprietary family office, investor and industry networks across the U.S. and Asia; 2) top private equity and venture capital funds in which the Funds own limited partnership interests; 3) inbound introductions and actively reaching out to a company either directly or through a reference.

#### **3. Prescreening**

The initial review of a potential investment is completed by an ASGS investment professional reviewing the business plan and conducting a meeting/call with company senior management. The potential investment is investigated based on suitability with our strategy and screening criteria, including market size, financial performance, growth metrics, barriers to entry and sensitivity of business cycles, etc.

#### **4. Diligence**

We perform fundamental research to assess business model quality and develop an in-depth analysis of a company's technologies, products, growth prospects and potential risks. The due diligence is

conducted through a combination of desktop research and interviews with various related parties, including, but not limited to, existing and potential investors, senior management teams of the company and competitive businesses, industry experts, existing and potential customers, suppliers, and channel partners.

The main categories of decision criteria are: 1) capability of management team; 2) strength and health of financial performance; 3) market characteristics; 4) product differentiation; 5) scalability of business model; 6) quality of investor base; and 7) valuation and risk-adjusted return profile. All quantitative and qualitative research will be driven by finding a realistic assessment of these aspects of the investment target.

### The Equity Fund

The Firm undertakes rigorous fundamental bottom-up research of each company considered for inclusion in the Equity Fund's portfolio. The Firm spends considerable time meeting with company management and investor relations personnel, as well as participating in onsite visits and conferences in order to ensure that the Firm understands the business models and the business environments of the Equity Fund's potential portfolio companies and their competitors.

The Firm's investment philosophy is to identify and select companies it believes are of exceptional quality and have the best possibility of creating sustainable value and generating attractive risk-adjusted returns for the Equity Fund in the long term. The Firm believes that high quality companies are characterized by: (a) robust and superior business models with a stable, predictable and growing free cash flow; (b) competent management teams with a clear aim of maximizing long-term shareholder value through their allocation of free cash flow; and (c) a high potential return on invested capital. The Firm's investment process is designed to identify such companies with stable, transparent, predictable, and persistently growing free cash flows with an attractive valuation and risk profile.

### The Crossover Fund

The Crossover Fund combines the investment processes described above for Fund I, Fund II, Fund III and Asia Fund with respect to private securities and the investment process described above for Equity Fund for public securities.

The Governing Documents for each Fund contains further information on the respective investment strategies, process and risk of loss.

## **C. Material Risks related to ASGS's Strategies**

ASGS's investment strategies involve a high degree of business and financial risk, including the risk that the entire amount invested may be lost. Accordingly, ASGS's investment strategies are only suitable for investors prepared to bear such risk. ASGS may invest client assets and engage in transactions using strategies and financial techniques with significant risk characteristics. No guarantee is made that the investment objectives of a Fund will be realized. Potential risk factors related to investing in ASGS's strategies are included below. There is no guarantee that ASGS will be able to control these risks or that the risks will not aggregate in a manner adverse to the Funds or our Clients. The material risks described below are not intended to be exhaustive. Fund investors

should consult with the relevant Fund's PPM for a more detailed description of the applicable risk factors.

## General Risks

### ***Business Risks***

The Funds' investment portfolios may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Certain Funds may invest in liquid, but highly risky publicly traded securities. The value of these securities may fluctuate significantly, based on the results of operations of the companies issuing them ("**Public Issuers**"), which may be influenced by extraordinary or unpredictable events.

### ***Future and Past Performance***

The performance of ASGS's prior investments is not necessarily indicative of the ASGS's future results. While ASGS intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of the entire principal is possible.

### ***Projections***

Projected operating results of a Portfolio Company in which a Fund invests, or of a Public Issuer, normally will be based primarily on financial projections prepared by each Portfolio Company or Public Issuer's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

### ***Reliance on ASGS and Portfolio Company Management***

Control over the operation of the Funds is vested with ASGS, and each Fund's future profitability will depend largely upon the business and investment acumen of ASGS' principals and investment team members. The loss or reduction of service of one or more of the principals or investment team members could have an adverse effect on the Fund's ability to realize its investment objectives. Fund investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of each Fund will depend on the actions of ASGS. In addition, certain changes in circumstances relating to ASGS may have an adverse effect on a Fund.

ASGS will generally have no control over Portfolio Companies or Public Issuers. Although ASGS will monitor the performance of each Fund investment, it will primarily be the responsibility of each company's management team to operate such company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with a Fund's objectives.

### ***ASGS's Carried Interest***

The fact that ASGS's Carried Interest is based on a percentage of net profits may create an incentive for ASGS to cause a Fund to make riskier or more speculative investments than otherwise would be the case.

### ***Due Diligence and Risk Identification***

ASGS's due diligence may not identify all material risks and liabilities in respect of an investment. Prior to investing in an investment, ASGS will perform due diligence on such proposed investment. In doing so, it may rely in part on information from third parties as a part of this due diligence. To the extent that ASGS or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, this may affect the profitability of the investment.

### ***Competition and Portfolio Concentration Risks***

Each Fund will participate in a limited number of investments and expects to make several investments in one industry or one industry segment. As a result, each Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised for each Fund is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. ASGS may face increasing competition for access to suitable investments. ASGS may face competition from other private equity and venture capital funds and strategic investors that are substantially larger and have considerably greater financial, technical and marketing resources than ASGS. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than ASGS. There can be no assurance that the competitive pressures ASGS faces will not erode ASGS's ability to deploy capital and thus affect the financial condition and results of its Clients.

### ***Lack of Sufficient Investment Opportunities***

The business of identifying and structuring private equity and venture capital transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Fund investors will be required to pay Management Fees to ASGS during their respective the investment periods based on the aggregate amount of Fund investor capital commitments.

### ***Market Conditions***

There are factors which are outside of ASGS's control and which may affect the volatility of underlying asset values and the liquidity and the value of its portfolio of investments. Changes in economic conditions in the U.S. and elsewhere (for example, interest rates and rates of inflation, industry conditions, competition, political events, unemployment, consumer spending, consumer sentiment and other factors) could substantially and adversely affect the prospects of ASGS's Clients. Any material changes in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates could have a negative impact on the performance and/or valuation of ASGS's investments. The Equity Fund and the Crossover Fund = performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, 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 the Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and the level of profitability achieved on realizations of investments.

### ***Epidemics***

Occurrences of epidemics, depending on their scale, may cause different degrees of damage to the national and local economies within a Fund's geographic focus. Global economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect the Funds and their potential returns. For example, the continuing spread of COVID-19 may have an adverse effect on the value, operating results and financial condition of some or all of our Portfolio Companies, as well as the ability to source and execute target investments. The progress and outcome of the current COVID-19 outbreak remains uncertain.

### ***Volatility of the Health Care Industry***

ASGS expects to focus its investment activities and investment portfolio primarily in the healthcare industry and related sectors. The healthcare climate has recently experienced much disruption and uncertainty. The Patient Protection and Affordable Care Act passed by Congress in 2010 serves as an example of the many industry dynamics that may affect several aspects of the industry. Legislation, regulation and executive decisions that impact the health care industry (and related sectors) on the federal, state and local level is common and is anticipated to continue through the life of the Funds. In many cases, impactful market and political changes can occur suddenly and without warning. The evolution and often sudden changes of the health care industry may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which the Fund makes investments.

### ***Dynamic Investment Strategy***

ASGS may pursue investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. ASGS may pursue investments outside of the industries and sectors in which the principals and the investment team members have previously made investments or have internal operational experience.

### ***Illiquidity; Lack of Current Distributions***

Investments in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable ASGS) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded capital commitments.

### ***Conflicting Fund Investor Interests***

Fund investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by ASGS regarding an investment that may be more beneficial to one Fund investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, ASGS will consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax, or other objectives of any Fund investor individually.

### ***Public Company Holdings***

The Funds' investment portfolio may contain securities issued by publicly held companies or securities of private companies that later go public. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the principals, and increased costs associated with each of the aforementioned risks.

### ***Enhanced Scrutiny and Potential Regulatory Changes***

There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity and venture capital industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on ASGS's activities. The combination of recent scrutiny of private equity and venture capital firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity and venture capital firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, ASGS may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

### ***Risks Related to Regulation***

Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant regulatory reform, both in the U.S. and globally. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

### ***Risks Related to Technology and Cyber Security***

The Firm and its Clients depend heavily on telecommunication, information technology and other operational systems, whether the Firm's or those of others (such as custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond the Firm's or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security

breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our Clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

### ***Risks Related to Fund of Fund Investing***

Identifying suitable investment vehicles is complex and involves a high degree of uncertainty. A manager of an underlying investment vehicle will use proprietary investment strategies that are not fully disclosed to ASGS, which may involve risks under some market conditions that are not anticipated by ASGS or disclosed in this Brochure or the applicable Fund's Governing Documents. For information about an underlying investment vehicle's net asset value and portfolio composition, ASGS will be dependent on information provided by the underlying manager, which, if inaccurate, could adversely affect ASGS' ability to value accurately the assets of the investment. Investors generally have no individual right to receive information about the underlying investment vehicles or their managers, will not be direct investors in such investment vehicles (except in connection with a distribution in-kind), and will have no rights with respect to standing or recourse against the underlying investment vehicles, their managers, or any of their affiliates. Moreover, investors will be subject to further liquidity limitations in connection with their indirect interests in such underlying investment vehicles. The managers of those vehicles may have the right to suspend redemptions and/or establish side pockets under certain market conditions or following investment-specific events, which could delay and negatively impact the realization of an investor's investment.

The investment managers selected by ASGS will generally be entitled to two forms of compensation: a fee based on net assets under management (typically 1% to 2% annually), plus performance compensation based on the appreciation (usually including unrealized appreciation) in the value of the Fund's account with such managers (typically 15% to 20% of net profits). While the performance compensation arrangements may call for realized or unrealized losses to be carried forward as an offset against net profits in subsequent periods, managers generally are not otherwise penalized for realized losses or decreases in the value of such account. These performance compensation arrangements may create an incentive for those managers to make investments that are particularly risky or speculative. Further, ASGS' compensation arrangements may create an incentive to select managers that pursue strategies that are particularly risky or speculative.

### ***Competitive Market for Investments in Underlying Funds***

There is no certainty that FOF will be permitted to invest in any targeted underlying funds they target, or that FOF will be permitted to invest the amounts which they desire to commit to such underlying funds. Such uncertainty may have an adverse effect on ASGS' ability to effectively employ FOF's investment strategy. There are no assurances that FOF will be able to fully invest its committed capital, and the performance of FOF may be adversely affected as a result. The demand to invest in funds raised by managers who have successfully invested several previous venture capital funds is typically very high and such funds are often difficult to access.

### ***No Role for Advisor or Investors in Management of Underlying Funds***

ASGS will not have a role in the management of any underlying fund. In addition, ASGS will likely not have the opportunity to evaluate any specific investments made by any underlying fund before such investment is made. As a result, the performance of FOF will primarily depend upon the performance of the unrelated investment managers and could be adversely affected by the

unfavorable performance of one or more underlying funds. FOF's investments in underlying funds will not be significant enough to afford it or ASGS blocking rights with respect to certain actions of the underlying funds and amendments to such underlying fund's operating documents. FOF therefore will be dependent upon the general partner or managing member of the underlying funds, and, to a limited degree, the other investors in the underlying funds, with respect to such actions and amendments.

### ***Multiple Levels of Expense***

The cost of investing in FOF will generally be higher than investing directly in the underlying funds. Although FOF does not currently pay a management fee to ASGS, the underlying funds will charge management fees and performance-based fees. By investing in FOF, investors will indirectly bear fees and expenses charged by the underlying funds in which FOF invests in addition to FOF's direct fees and expenses. Thus, investors will realize a lower return on their respective investments than if they had directly invested in each of the underlying funds. Furthermore, the use of a fund-of-funds structure could affect the timing, amount and character of distributions to investors and therefore may increase the amount of taxes payable by investors.

### **Risks Related to Private Equity and Venture Capital Investments:**

#### ***Early-Stage and Start-Up Investments***

The Funds may make investments primarily in start-up and early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these portfolio companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. In addition, portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Due to the limited number of investments a Fund may make, poor performance by some of the Fund's investments could significantly affect the total returns to the investors. There is no assurance that such investments by the Funds will be successful.

#### ***Leveraged Investments***

The Funds may make use of leverage. Leverage will generally magnify both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any Portfolio Company cannot generate adequate cash flow to meet debt service, that Fund may suffer a partial or total loss of capital invested in the Portfolio Company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be tight at the time the Fund determines that it is desirable to sell all or a part of a Portfolio Company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.



### ***Investments in Junior Securities***

The securities in which the Funds will invest may be 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 the Funds' investment once made.

### ***Non-U.S. Investments***

The Funds will 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 term of the Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the Partners with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

### ***Need for Follow-On Investments***

Following their initial investment in a Portfolio Company, the Funds may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or its inability to make such investment may have a substantial negative effect on a Portfolio Company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Funds to increase its participation in a successful Portfolio Company or the dilution of the Fund's ownership in a Portfolio Company if a third party invests in such Portfolio Company.

## **Risks Related to the Equity Investments**

### ***Nature of Investments***

The Firm has broad discretion in making investments for the Equity Fund and the Crossover Fund. Investments generally consist of equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Firm 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 Equity Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio (especially fixed income securities) may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Equity Fund's investment objective will be achieved.

### ***Investment Flexibility***

While the Equity Fund currently intends to focus primarily on equity and equity-related investments, the Equity Fund has broad and flexible investment authority. In particular, the Equity Fund is not required to invest any particular percentage of its portfolio in any type of investment, sector or region, and the amount of the Equity Fund's portfolio which is invested in any type of investment, which is long or short, or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, at any time, the Equity Fund may have significant investments in strategies, sectors or instruments not specifically described herein and which therefore present risks which are not specifically described herein.

### ***Growth Company Securities***

The Equity Fund may invest a portion of its assets in "growth companies." Investing in growth companies involves substantial risks. Securities of growth companies may perform differently from the stock market as a whole and may be more volatile than other types of stocks. Since growth companies usually invest a significant portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion the impact of declining stock prices in a falling market. Also, earnings disappointments often lead to sharply falling prices for growth company stocks because investors buy growth company stocks in anticipation of superior earnings growth. Securities of growth companies may also be more expensive relative to their earnings or assets compared to value or other types of stocks.

### ***Lack of Diversification: Sector Concentration***

The Equity Fund's portfolio may be concentrated in certain sectors, types of securities or geographic areas or issuers. Certain sectors, types of securities, geographic areas and issuers possess particular risks that may not affect other sectors, types of securities, geographic areas or issuers. As a result, the Equity Fund's investments may be subject to more rapid change in value than would be the case if the Equity Fund were required to maintain a wide diversification among sectors, types of securities, geographic areas or issuers.

### ***Non-U.S. Securities***

The Equity Fund may invest a portion of its assets in non-U.S. securities. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less governmental supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

### ***Emerging Markets***

The Equity Fund may invest a portion of its assets in emerging markets. Investing in developing market equity involves certain heightened risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the Partnership's ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform

programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in developing markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) higher transaction costs; (xv) imposition of foreign taxes; (xvi) difficulty in enforcing contractual obligations; (xvii) less available information than is generally the case in the United States; and (xviii) certain considerations regarding the maintenance of the Equity Fund's securities and cash with non-U.S. brokers and securities depositories.

### ***Currency Risk***

The Equity Fund's investments that are denominated in currencies other than the U.S. dollar are subject to the risk that the value of the particular currency will change in relation to one or more other currencies. As a result, the Equity Fund could realize a net loss on an investment, even if there were a gain on the underlying investment before currency losses were taken into account. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Advisor may seek to hedge these risks by investing in currencies, currency futures contracts and options on currency futures contracts, forward currency contracts, swaps, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be effective.

### ***Short Sales***

The Equity Fund may engage in short selling. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Equity Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by the Equity Fund in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Equity Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

During periods of volatility, regulators may impose certain restrictions or disclosure requirements on short sales. The levels of restriction and disclosure may vary across different jurisdictions. Such restrictions and disclosure requirements may make it difficult for the Advisor to express its negative views in relation to certain securities, companies or sectors, which may have an adverse effect on the Equity Fund's ability to implement its investment strategy.

There are other inherent difficulties and challenges in short selling. The general negative perceptions of short sellers may limit the Firm's access to management of various issuers and hamper its research efforts. Management and other stakeholders of issuers may take legal action against short sellers to prevent or discourage even the legal short sales of the issuer's securities to avoid depressing the value of its securities. The Firm and the Equity Fund could be subject to such private legal actions. The cost of, and management time committed to, defending any such action could be substantial.

### ***General Risks of Leverage***

The Equity Fund expects to use leverage from time to time by borrowing on margin, investing in futures and options, entering into swaps and other derivative contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, using leverage requires the Equity Fund to

pledge its assets as collateral. Margin calls or changes in margin requirements can require the Equity Fund to pledge additional collateral or liquidate its holdings, which could require the Equity Fund to sell portfolio securities at substantial losses that it otherwise would not realize. In addition, the financing charges that the Equity Fund pays to employ leverage, which will fluctuate, will have a significant effect on the Equity Fund's profitability.

These risks are especially significant in unsettled credit environments, in which the Firm may find it difficult or impossible to obtain leverage for the Equity Fund. Since leveraging its assets is an important part of the investment strategy of the Equity Fund, in such event the Equity Fund could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Equity Fund being forced to unwind positions quickly and at prices below what the Firm deems to be fair value for the positions.

### ***Options***

The Equity Fund may invest a portion of its assets in options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss if the underlying security is not owned). Over-the-counter ("**OTC**") options also involve counterparty solvency risk.

### ***Currency Options and Currency Forwards***

The Equity Fund may at times use currency options to hedge against the decline in the value of a currency or to enhance returns. Currency options are similar to options on securities. For example, in consideration for an option premium the writer of a currency option is obligated to sell (in the case of a call option) or purchase (in the case of a put option) a specified amount of a specified currency on or before the expiration date for a specified amount of another currency. The Equity Fund may engage in transactions for currency options either on exchanges or OTC markets. Currency options involve substantial currency risk, and may also involve credit, leverage or liquidity risk, among others.

The Equity Fund may enter into forward currency exchange contracts ("**forward contracts**") for hedging purposes and non-hedging purposes to pursue its investment objective. Forward contracts are transactions involving the Equity Fund's obligation to purchase or sell a specific currency at a future date at a specified price. Forward contracts may be used by the Equity Fund for hedging purposes to protect against uncertainty in the level of future foreign currency exchange rates, such as when the Equity Fund anticipates purchasing or selling a foreign security.

### ***Derivatives***

The Equity Fund may invest a portion of its assets in derivatives. Swaps and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. The prices of derivative instruments can be highly volatile. In addition, derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large impact on the Equity Fund's performance.

There has been an international effort to increase the stability of the OTC derivatives market in response to the financial crisis in 2008. In Europe, the European Parliament has adopted a regulation on OTC

derivatives, central counterparties and trade repositories (known as the European Markets and Infrastructure Regulation, or “**EMIR**”), which comprehensively regulates the OTC derivatives markets. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) includes provisions that also comprehensively regulate the OTC derivatives markets. These regulations have imposed compliance costs on the Equity Fund. They have also increased the dealers’ costs, which are expected to be passed through to other market participants in the form of higher fees and less favorable dealer marks. They may also render certain strategies in which the Equity Fund might otherwise engage impossible or so costly that they will no longer be economical to implement.

### ***Total Return Swaps***

The Equity Fund may invest a portion of its assets in total return swaps. In a total return swap transaction, one party agrees to pay the other party an amount equal to the total return of a defined underlying asset (such as an equity security or basket of such securities) or a non-asset reference (such as an index) during a specified period of time. In return, the other party would make periodic payments based on a fixed or variable interest rate or on the total return from a different underlying asset or non-asset reference. Total return swaps could result in Equity Fund losses if the underlying asset or reference does not perform as anticipated. Such transactions can have the potential for unlimited losses. Swaps can involve greater risks than direct investment in securities, because swaps, among other factors, may be leveraged (creating leverage risk), and are subject to counterparty risk, pricing risk and liquidity risk, which may result in significant Equity Fund losses.

### ***Futures Contracts***

The Equity Fund may invest in futures contracts. The 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 can produce disproportionately larger profit or loss.

The use of futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Equity Fund’s return or not cause the Equity Fund to sustain large losses. While the use of these instruments by the Equity Fund may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. If the Firm applies a strategy at an inappropriate time or judges market conditions or trends incorrectly, futures strategies may lower the Equity Fund’s return or cause substantial losses. Certain strategies limit the Equity Fund’s possibilities to realize gains as well as limit its exposure to losses. The Equity Fund could also experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Equity Fund will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Equity Fund’s investment turnover rate. Futures markets are highly volatile. The 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. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Equity Fund may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Equity Fund to substantial losses. Investing in futures contracts, options or commodities is a highly specialized investment activity entailing greater than ordinary investment risk.

Moreover, under the Commodity Exchange Act, as amended, a futures commission merchant (an “FCM”) is required to segregate all funds received from customers from its proprietary assets. If the FCM fails to do so, the assets of the Partnership might not be fully protected in the event of the FCM’s bankruptcy. Furthermore, in the event of the FCM’s bankruptcy, the Equity Fund could be limited to recovering either a pro rata share of all available funds segregated on behalf of the FCM’s combined customer accounts or the Equity Fund may not recover any assets at all, even though certain property specifically traceable to the Equity Fund was held by the FCM. In the event of a bankruptcy or insolvency of any exchange or a clearinghouse, the Equity Fund could experience a loss of the funds deposited through the FCM as margin with the exchange or clearinghouse, a loss of any profits on its open positions on the exchange, and the loss of unrealized profits on its closed positions on the exchange.

### ***Forward Contracts***

The Equity Fund may invest a portion of its assets in forward contracts. A forward contract is an OTC derivative transaction between two parties to buy or sell a specified amount of an underlying reference (security, index or currency) at a specified price (or rate) on a specified date in the future. Forward contracts are negotiated on an individual basis and are not standardized or traded on exchanges. The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention, which may result in volatility or disruptions in such markets. A relatively small price movement in a forward contract may result in substantial losses to the Equity Fund, exceeding the amount of the margin paid. Forward contracts can increase the Equity Fund’s risk exposure to underlying references and their attendant risks, such as credit risk, market risk, foreign currency risk and interest rate risk, while also exposing the Partnership to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

### ***Exchange Traded Funds***

The Equity Fund may invest in and sell short shares of ETFs and other similar instruments. These transactions will be used to adjust the Partnership’s exposure to the general market or industry sectors and to manage the Equity Fund’s risk exposure. ETF shares are shares of exchange traded investment companies that hold a portfolio of common stocks designed to track the performance of a particular index. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instrument.

Shareholders of an investment company generally bear all expenses of that company, including fees of the investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, to the extent the Equity Fund invests in ETFs, investors will be paying two levels of advisory fees -- the Management Fee to the Firm and the advisory fee charged by the investment adviser of the ETFs in the Equity Fund’s portfolio. To the extent an investor invests in the Equity Fund through a financial advisor, the investor could be subject to three levels of fees. As a result, the returns realized by investors from the Equity Fund’s activities will be less than the returns the investors would realize from engaging in the same activities directly.

The Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company such as an ETF.

### ***Fixed Income Securities***

The Equity Fund may invest a portion of its assets in fixed-income securities when their yield and potential for capital appreciation are considered sufficiently attractive or for defensive or liquidity purposes. Fixed-income securities are subject to prepayment risk, the risk of the issuer's inability to meet principal and interest payments on its obligations and the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer and general market liquidity.

### ***Small and Mid-Cap Stocks***

The Equity Fund may invest a portion of its assets in small to medium capitalization companies. Investments in small-to-medium sized companies of a less seasoned nature whose securities are traded in the OTC market often involve significantly greater risks, including greater volatility, than the securities of larger, better-known companies, because such companies may have limited product lines, distribution channels and financial and managerial resources. In addition, investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with established operating records.

### ***Special Situations***

The Equity Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Partnership of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Equity Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Equity Fund may invest, there is a potential risk of loss of its entire investment in such companies.

### ***Lack of Liquidity***

Equity Fund assets may, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts.

### ***Active Management Risks***

The Equity Fund's investment program emphasizes active management of the Equity Fund's portfolio. Consequently, the Equity Fund's portfolio turnover and brokerage commission expenses may exceed those of other private investment funds. A high portfolio turnover rate may also result in greater realization of capital gains, including short-term gains which are taxable to investors at the same rates as ordinary income.

### ***Valuation***

The Equity Fund's assets may be invested in privately placed securities of publicly traded or private companies. These investments may be extremely difficult to accurately value. The Firm generally values such investments at fair market value, which may be below cost. In light of the foregoing, there is a risk that an investor who withdraws all or part of its investment while the Equity Fund holds such private investments will be paid an amount less than such Partner would otherwise be paid if the actual value of such private investments is higher than the value designated by the Equity Fund. Similarly, there is a risk that such investor might, in effect, be overpaid if the actual value of the private investment is lower than

the value designated by the Equity Fund. In addition, there is a risk that an investment in the Equity Fund by a new investor (or an additional investment by an existing investor) could dilute the value of such private investments if the actual value of the private investment is higher than the value designated by the Equity Fund. Furthermore, to the extent any of the Equity Fund's securities are overvalued, the Firm might receive a larger Management Fee than they would otherwise be entitled to receive. In addition, if the Equity Fund's portfolio is inaccurately valued, there is a risk that the Firm may not be able to effectively manage the Equity Fund's investment portfolio, adhere to any investment guidelines or restrictions, or properly manage risk. Any such inaccuracy could adversely affect investors. The foregoing risks apply to all assets of the Equity Fund to the extent that the value of any single investment is not able to be definitively determined at all times.

With respect to assets of the Equity Fund that are invested in other investment vehicles, the Equity Fund will rely on information provided by other investment vehicles in valuing its investment in such vehicles. Inaccurate valuations provided by an investment vehicle could adversely affect the value of the Equity Fund. The General Partner may, at its discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

### ***Counterparty Risk***

Some of the markets in which the Equity Fund may effect transactions are OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight to the same extent as are members of "exchange-based" markets. This exposes the Equity Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Equity Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Equity Fund has concentrated its transactions with a single or small group of counterparties.

The Firm is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Equity Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Equity Fund.

### **Risks Related to Digital Asset Investments**

#### ***Development and Acceptance of Digital Assets***

Cryptocurrencies, decentralized application tokens, protocol tokens and other crypto-finance coins, tokens and digital assets and instruments that are based on blockchain, distributed ledger or similar technologies, which may include investments in equity, equity-based securities or convertible securities in companies operating in such industries (collectively, "**Digital Assets**") are loosely regulated, and there is no central marketplace for exchange. Supply may be determined by a computer code or other action, not by a central actor, and prices have been extremely volatile. Digital Asset exchanges have been closed due to fraud, failure or security breaches. Any assets that reside on an exchange that shuts down may be lost. Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future or that



acceptance of Digital Asset payments by mainstream retail merchants and commercial businesses will continue to grow.

### ***Price Volatility***

A principal risk in trading Digital Assets is the rapid fluctuation of their market price. High price volatility undermines the role of Digital Assets as a medium of exchange, as retailers are much less likely to accept them as a form of payment. There is no guarantee that a Fund will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at a favorable price. The price of Digital Assets may be affected generally by a wide variety of complex and difficult to predict factors, such as (i) Digital Asset supply and demand; (ii) rewards and transaction fees for the recording of transactions on the block chain; availability and access to virtual currency service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; (iii) perceived or actual Digital Asset network or Digital Asset security vulnerability; (iv) inflation levels; (v) fiscal policy; (vi) interest rates; (vii) and political, natural and economic events.

### ***Loss or Destruction of Digital Assets***

Certain Digital Assets are intended to be controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which such Digital Assets are held. If private keys relating to Digital Asset holdings are lost, destroyed or otherwise compromised, and the private keys cannot be restored by the Digital Asset network, a complete loss of the Digital Asset may be experienced. Further, Digital Assets are typically transferred digitally through electronic media not controlled or regulated by any entity. To the extent a Digital Asset transfers erroneously to the wrong destination, such Digital Assets may not be recoverable, and a complete loss of the Digital Asset may be experienced.

### ***Regulatory Status of Cryptocurrencies and other Digital Assets***

The overall regulatory environment for Digital Assets remains uncertain. Numerous U.S. federal agencies have asserted whole or partial regulatory authority over Digital Assets. Whether and to what extent Digital Assets will be regulated by any existing federal agencies or by new legislation passed by the U.S. Congress is unknown, and the effect on the market value of Digital Assets overall is unknown. Other governmental bodies and regulatory agencies, including those outside the United States, may also create their own set of regulations relating to, or otherwise ban or restrict, as the case may be, certain Digital Assets, networks, exchanges, practices, service providers, users and others (which may adversely affect or restrict the ability or right to acquire, own, hold, sell, use or exchange (whether for fiat currency or other Digital Assets) Digital Assets), which might further negatively impact the value of Digital Assets. Regulatory activity in any of these areas may restrict the ability both to acquire such Digital Assets and to realize the value thereof by restricting the conversion of any such value into U.S. dollar-based assets.

## **Item 9 - Disciplinary Information**

To the best of ASGS's knowledge, there are no legal or disciplinary events that are material to a Fund's, Client's, prospective client's, investor's or prospective investor's evaluation of ASGS's advisory business or the integrity of its management.

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

ASGS is not registered, and does not have an application pending to register, as a broker-dealer.

Neither ASGS nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of an ASGS entity.

ASGS has regular formal and informal communications with investment professionals and other employees of the Anchor LP regarding a variety of business topics, including Fund investments. In certain circumstances, the Anchor LP will receive information regarding investments that ASGS is reviewing, has made or intends to exit for certain of the Funds, including, but not limited to, Fund II, and the Anchor LP may provide its opinion on the merits of the investment. While ASGS is not under any legal obligation to consider the opinions of the Anchor LP, ASGS will review those opinions, which may or may not impact the investment decision that ASGS makes on behalf of the Fund. No other investor has a similar right nor does ASGS expect to grant such rights to any other investors.

Other than any applicable Management Fees payable by a Fund to ASGS, ASGS does not receive any compensation for the recommendation of other investment advisers to its Clients.

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

ASGS has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of ASGS’s employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of ASGS is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. ASGS prohibits personal trading on certain securities or instruments; requires pre-clearance of purchases of an IPO and limited offerings; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations. As part of its Code, ASGS has established procedures to prevent the abuse of material, nonpublic information.

ASGS, its affiliates and respective employees, or a related entity each may have an investment in the Funds. From time to time, ASGS may offer its related persons the opportunity to participate in Fund investments via a co-investment vehicle. In such cases, related persons may be deemed to participate in transactions in which ASGS or its affiliates, and clients, have a direct or indirect interest. Any such investments would be made alongside a Fund and should not present a conflict of interest. Related persons will not recommend private investment transactions to clients for companies in which such related persons already have an interest.

Related persons making recommendation to, or buying and selling securities for, the Funds do not make such recommendations of securities in which such related persons have a material financial interest without disclosing such interest to ASGS management and clients.

The Code is designed to confirm that the personal securities transactions, activities and interests of ASGS’s employees will not interfere with making decisions in the best interest of clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

ASGS and its related persons do not invest in the same securities (or related securities, e.g., warrants options or futures) that it or a related person recommends to clients.

A copy of ASGS's Code of Ethics is available to current and prospective investors (and clients) upon written request to the CCO at Alpha Square Group S LLC, 350 Fifth Avenue, Suite 3910, New York, New York 10118.

## **Item 12 - Brokerage Practices**

Subject to the investment objectives, policies and restrictions of the Funds as set forth in the Governing Documents, ASGS has the authority and discretion to select a broker-dealer and negotiate commissions and other compensation to be paid in connection with these transactions.

It is ASGS's policy to obtain "best execution" at the most favorable prices.

In determining best execution, an investment manager may take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services. The factors to be considered in selecting and approving broker-dealers that may be used to execute trades for Fund accounts include, but are not limited to:

- Quality of execution – accurate and timely execution, clearance and error/dispute resolution
- Reputation, financial strength and stability
- Block trading and block positioning capabilities
- Willingness to execute difficult transactions
- Willingness and ability to commit capital
- Access to underwritten offerings and secondary markets
- Ongoing reliability
- Overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of the Firm's knowledge of negotiated commission rates currently available and other current transaction costs
- Nature of the security and the available market makers
- Desired timing of the transaction and size of trade
- Confidentiality of trading activity
- Market intelligence regarding trading activity
- The receipt of brokerage or research services

Accordingly, transactions may not always be executed at the lowest available price or commission. In certain instances, Clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. With respect to such directed trades, a Client will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions, and such direction may adversely affect our ability to obtain most favorable price and execution.

ASGS does not utilize soft dollars or direct brokerage to a broker in return for the broker's referral of prospective clients. ASGS generally does not have the opportunity to aggregate client orders and, as a result, does not aggregate client orders.

### **Item 13 - Review of Accounts**

The Firm's investment executives with the assistance of other investment team members as appropriate, regularly reviews the current investment strategy and holdings in the Funds. Performance, certain investment positions, exposure levels, and investment opportunities are examples of the matters that may be reviewed to confirm compliance with the applicable Governing Documents. Topics such as model changes and priority of purchases or sales are also frequently discussed among members of the investment team.

Annually, ASGS assists the Funds in furnishing all investors with (i) audited written financial statements prepared in accordance with generally accepted accounting principles, accompanied by the report of its independent certified public accountants and (ii) tax information reasonably necessary for the completion of tax returns.

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

ASGS does not receive any economic benefit, including sales awards or prizes, from any third-party for providing advisory services to the clients.

ASGS has entered and may enter into agreements or arrangements with third-party placement agents that solicit and refer prospective eligible investors in the Fund. In consideration of such solicitation and referral services, such placement agents receive or may receive compensation from ASGS or its affiliates consisting of, among other things, a percentage of capital commitments with respect to investors referred by such placement agents. Investors will not be charged any higher or additional fees as a result of any such placement agent arrangements; however, investors may indirectly bear the cost of such fees paid to placement agents as part of a Fund's organizational expenses as provided in the applicable Governing Documents. In each instance, all arrangements and payments of placement agent fees will be disclosed to applicable investors.

### **Item 15 - Custody**

While it is ASGS's practice not to accept or maintain physical possession of any client assets, ASGS is deemed to have custody of the assets of the Funds under Rule 206(4)-2 of the Advisers Act.

The Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Fund investor. The audited financial statements for Fund I, Fund II, Fund III and the Crossover Fund will be prepared in accordance with generally accepted accounting principles ("GAAP") and distributed within 120 days of their fiscal year-end. The audited financial statements for the Equity Fund and FOF will be prepared in accordance with GAAP and distributed within 180 days of their fiscal year end.

Investors in the Funds receive periodic statements from ASGS. These statements should be carefully reviewed. Investors are urged to compare such statements to the information provided in the audited financial statements provided by the Funds' auditor.

## **Item 16 - Investment Discretion**

ASGS exercises discretion in managing the investments of each Client, based on the Fund's or Client's particular investment objectives, policies and strategies disclosed in its Governing Documents.

ASGS contractually assumes discretionary authority over the assets of a Fund under a management services agreement entered into among ASGS and each Fund, and the Governing Documents relevant to each Fund.

## **Item 17 - Voting Client Securities**

ASGS intends to vote proxies or similar corporate actions in accordance with the best interest of the applicable Client(s), taking into account such factors as it deems relevant in its sole discretion. Upon receipt of a proxy request, the Firm reviews the information, determines what is in the best interest of the Client(s), including whether it is in the best interests of the relevant Client(s) to vote the proxy. ASGS will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and the selection of auditors, absent conflicts of interest (e.g., an auditor's provision of non-audit services). ASGS will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights. In reviewing proposals, ASGS may also consider, without limitation, the opinion of management, the effect on management, the effect on shareholder value and the issuer's business practices. ASGS does not permit Fund investors to direct how it will vote on specific proxies. In some cases, underlying portfolio managers of the Equity Fund may receive proxies directly from the Custodian, and in those cases may vote such proxies (or not) as they see fit.

ASGS may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular account or Client or deems that the issue being voted upon is not material for ASGS and such account or client. In addition, ASGS may refrain from voting a proxy under certain circumstances including, but not limited to, when (i) the economic effect on such client's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. ASGS may also refrain from voting a proxy on behalf of a client's account due to (1) de minimis holdings; (2) de minimis impact on the portfolio; (3) items relating to non-U.S. issuers (such as those described below); (4) contractual arrangements with clients; and/or (5) such client's authorized delegates, or the failure of a proxy, to provide sufficient information to allow for timely and/or informed decision making.

ASGS's proxy voting policy is designed to ensure that if a material conflict of interest is identified with connection with a particular proxy vote, that the vote is not improperly influenced by the conflict. Conflicts of interest may arise from time to time in relation to proxy voting requirements. ASGS shall monitor all proxies for any potential conflicts. If a material conflict of interest arises, ASGS will determine what is in the best interests of the Client(s) and may take appropriate steps to eliminate such conflict.

Clients that wish to obtain information about how ASGS voted securities or a copy of ASGS's proxy voting policies and procedures may contact the Chief Compliance Officer at Peter S. Lin, Alpha Square Group S, LLC, 350 Fifth Avenue, Suite 3910, New York, New York 10118.

**Item 18 - Financial Information**

ASGS has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its Clients. ASGS does not require or solicit prepayment of fees six months or more in advance.