



## **SCIENS DIVERSIFIED MANAGERS LLC**

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This brochure provides information about the qualifications and business practices of Sciens Diversified Managers LLC. If you have any questions about the contents of this brochure, please contact us at 212.471.6100 and/or [compliance@scienscapital.com](mailto:compliance@scienscapital.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Sciens Diversified Managers LLC is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser does not imply any level of skill or training. Additional information about Sciens is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

This brochure is dated as of March 31, 2023 and will be amended annually or as necessary to reflect material changes. No material changes have been made to this brochure from any prior filing.

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## ITEM 4 – ADVISORY BUSINESS

### STRUCTURE, HISTORY AND OWNERSHIP

Sciens Diversified Managers LLC (referred to throughout as “SDM”, the “Adviser” or “Sciens”) is an investment adviser registered with the SEC with its principal place of business in New York, New York. SDM commenced operations as an investment adviser in January 2019 as a relying adviser of Sciens Investment Management, LLC (“SIM”). SIM withdrew its registration with the SEC as an investment adviser in June of 2021 as a result of the Adviser restructuring its advisory business. SDM is transitioned from its status as relying adviser to the filing adviser for the umbrella registration for the Sciens entities (collectively, the “Relying Advisers”) on June 18<sup>th</sup>, 2021. SDM is wholly owned by Ioannis “John” Rigas. SDM offers a variety of investment advisory, including private equity advising, and related services to its clients, described in this brochure.

Sciens provides the investment advisory services described in this brochure together with a number of other advisers referred to throughout this document, known as the Relying Advisers. Each of the Relying Advisers shares advisory and management personnel with Sciens, all of which are subject to Sciens’ compliance policies and procedures. Sciens conducts a single advisory business with the Relying Advisers. Sciens, and the Relying Advisers are sometimes referred to herein collectively as “we” or “us.” Please refer to the Schedule R - Relying Advisers section of the Sciens’ Form ADV Part 1A for additional information.

### TYPES OF ADVISORY SERVICES

**Private Equity Business.** Sciens provides discretionary investment management services to private investment partnerships, offshore funds and other investment vehicles which make primarily equity, equity-related investments in private companies, although our clients (the “PE Funds”) may make investments in debt or debt-like instruments if appropriate under the circumstances. Certain of the PE Funds were formed for the purpose of making a single investment or a set group of investments (the “Single Investment Funds”). Investors in a Single Investment Fund are given disclosure relating to the underlying asset or assets that the Single Investment Fund will invest in or acquire. Investors in the Single Investment Funds generally only make a single capital contribution to the applicable PE Fund, drawn at the initial closing of the Fund, substantially all of which capital is used to make the PE Fund’s investment or investments. We also manage a number of PE Funds that make multiple investments as opportunities arise (“Multi-Investment Funds”). Investors in a Multi-Investment Fund generally do not receive disclosure regarding the specific investments that the PE Fund will make. However, they are given disclosure about the general asset classes in which the PE Fund will likely invest. Investors in Multi-Investment Funds either contribute an amount of capital upon subscription or commit to contribute capital to the applicable PE Funds as needed to fund the acquisition of investments.

Each asset in a PE Fund’s portfolio may be referred to herein individually as a “Portfolio Investment” or collectively as the “Portfolio Investments”.

**Winding up of Fund of Funds Business.** We provide discretionary investment management advisory services to Sciens International Fund of Hedge Funds (“SIFOHF”), which is the sole remaining fund of funds client (the “Fund of Funds”) in the Sciens group of funds. We invest the Fund of Funds’ assets primarily with investment managers (each, a “Manager”) who manage private investment partnerships, offshore funds, separate accounts and other investment vehicles. With the exception of SIFOHF, all of the Fund of Funds that we managed historically have been voluntarily transferred to a third-party liquidator. As such, we are not actively selecting managers for or reallocating investments in those liquidating Fund of Funds.

The PE Funds and the Fund of Funds are collectively referred to herein as the “Funds” and individually as a “Fund”.

The Funds do not offer their interests on a retail basis to the public. Such interests are only offered in private placements to qualified investors. The terms of such offerings and the investments themselves are described in each Fund’s offering documents.

## **IMPERSONAL INVESTMENT ADVICE**

Sciens provides advisory services to privately offered, pooled investment vehicles. Accordingly, Sciens only tailors its advisory services to comply with the requirements set forth in the governing and offering documents of the Funds it manages. We do not tailor our investment strategy to the needs of individual investors in the Funds. Investment advice is provided directly to each Fund and not to the Funds’ underlying individual investors. On occasion we will establish feeder funds, blocker corporations or separate share classes to accommodate investors if such accommodations do not adversely affect the other investors in a Fund. The Funds and their investors may include taxable and tax-exempt entities and persons or entities organized in various jurisdictions. Conflicts of interest may therefore arise in connection with decisions that may be more beneficial for one type of Fund or investor than another. In selecting investments appropriate for the Funds, we consider the investment objectives of the applicable Fund as a whole, not the investment objectives of such Fund’s individual investors.

## **WRAP FEE PROGRAMS**

Sciens does not participate in wrap fee programs (advisory programs with an all-inclusive fee for both investment advisory services and brokerage execution).

## **ASSETS UNDER MANAGEMENT**

As of December 31, 2022, Sciens managed approximately \$565,061,937 Regulatory Assets Under Management (“RAUM”) on a discretionary basis, which is based on unaudited financial data and is subject to change. The methodology used to calculate RAUM is the same methodology used to calculate “regulatory assets under management” for purposes of responding to Item 5.F(2) of our Form ADV Part 1A. We do not manage any Fund assets on a non-discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

We are generally entitled to management fees and/or performance-based compensation from the Funds. Each of the Funds generally pays us a management fee based on the value of the applicable Fund’s assets under management. The management fee is calculated at an annual rate generally ranging from 1% to 2% of (i) the net asset value of the Fund, (ii) the aggregate amount of capital committed by investors in the Fund, (iii) the aggregate cost of investments acquired by the Fund or (iv) some combination thereof. The management fees that we receive from the Funds are generally prorated for any period that is less than a full calendar month and are adjusted for subscriptions and redemptions made during a month, if applicable.

As respects the PE Funds, we are also entitled to receive performance-based compensation from some of the Funds. Such performance-based compensation may be taken on a periodic basis (such as an incentive fee or performance allocation) or only after investors have received an agreed amount of their investments back (such as a carried interest). Performance based compensation is generally equal to 10% to 20% of the increase in an investor’s investment in a PE Fund. We generally deduct management fees and performance-based compensation from the PE Funds’ accounts.

As respects the Fund of Funds, we are also entitled to receive performance-based compensation from the Funds of Funds equal to 20% of the net profits of each investor, subject to a high watermark. We are entitled to receive such performance-based compensation annually and upon redemption. The performance-based compensation we receive is not subject to a claw back. To the extent that a Fund invests in a private fund managed by a Manager with which we are affiliated, the compensation paid to such Manager is offset against the compensation we receive from the applicable Fund.

The specific terms of our compensation arrangements with each of the Funds can be found in the applicable Fund's offering documents, which are provided to potential investors. Our compensation arrangements may not be amended to provide the Adviser the potential for additional compensation without investor approval. The Adviser may reduce its compensation package without investor approval, so long as such action does not otherwise adversely affect the investor. The description above represents our typical compensation rates. However, we may enter into negotiated agreements with one or more investors which provide for the waiver or modification of certain terms of the offering of interests in a Fund, including fees otherwise applicable to such investors' interests. Any such waivers do not adversely affect the investment returns of the other investors in a Fund.

In addition to management fees and, if applicable, performance-based compensation, the Funds are also subject to other expenses such as administrative, legal, accounting, compliance, custodial and audit expenses and costs, fees, liabilities, taxes and expenses relating to or arising from the investment of assets, third-party compliance products and services, borrowing, financing or settlement arrangements, analysis and research of investments or potential investments (including subscriptions, publications or related services), risk management and due diligence associated with the development and maintenance of the portfolios, regulatory filings, investor relations and independent directors' fees. Details regarding the expenses borne by each of the Funds are available in the respective Funds' offering documents, which are provided to potential investors.

Certain investors, including seed investors and persons associated or formerly associated with Sciens and members of their families, as well as certain friends of such persons, may invest in the Funds on a non-fee-paying basis or at fee rates that are lower than those charged to other investors in the Funds, in our discretion.

Prospective investors must refer to the detailed information found in each Fund's governing fund documents for specific information about the fees that may be earned by Sciens and the fees and expenses potentially charged to the Funds.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5, "Fees and Compensation" above, we receive performance-based compensation from some of the Funds. Some Funds are not subject to any form of performance-based compensation. As a result, we have a conflict of interest, because Sciens can potentially receive proportionately greater compensation from a Fund that is subject to performance-based compensation than from a Fund that only pays us a management fee.

Our investment personnel are also typically compensated on a basis that includes a performance-based component. As a result, the potential conflict of interest exists for us and our investment personnel to seek to favor one Fund over another in allocating investment opportunities. In particular, we and our investment personnel may have a greater incentive to favor Funds that are subject to higher performance-based compensation arrangements, or in which our personnel have more significant investments.

## **Private Equity Funds**

Although we may theoretically have an incentive to allocate more profitable investment opportunities to the PE Funds that are subject to the highest performance-based compensation rates, as a pragmatic matter such conflicts of interest rarely arise. The Single Investment Funds are organized for the purpose of making a single investment or set of investments and do not make additional portfolio investments. Different Multi-Investment Funds may invest in similar opportunities or asset classes which may cause a conflict between the interests of our clients and our own pecuniary interests. Where such conflicts of interest do arise, we allocate investment opportunities or asset classes among the PE Funds based on the propriety of the investment for each of the PE Funds and the best interests of the PE Funds as a whole, without regard to our own interests.

## **Fund of Funds**

Although we are sensitive to potential conflicts between the Fund of Funds' interests and our own with respect to the allocation of investment opportunities, we do not expect such conflicts to arise. The Fund of Funds that are currently in liquidation are not making new investments. The Fund of Funds that is not currently in liquidation, SIFOHF, is not actively investing at this time. Even if it were investing, the fund does not tend to compete for the same investment opportunities or invest in opportunities without material limits on capacity.

## **ITEM 7 – TYPES OF CLIENTS**

Sciens provides discretionary investment advice to the Funds, which are privately offered, pooled investment vehicles. The minimum initial and additional subscription amounts, if any, for each of the Funds are disclosed in the relevant offering documents. The Funds' investors are typically high net worth individuals, institutional investors, sovereign wealth funds and pension plans. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" and a "qualified purchaser" within the meaning set forth under the federal securities laws.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK FACTORS**

### **INVESTMENT STRATEGIES AND OBJECTIVES**

#### **Private Equity Funds**

The PE Funds implement a broad variety of investment strategies in order to achieve their investment objectives. The Single Investment Funds are limited purpose vehicles that make only a single investment, which may or may not include leverage. Prospective investors in a Single Investment Fund are generally given disclosure of the terms of the underlying asset, or assets in which the Fund will invest, and the opportunity to perform their own due diligence regarding the investment opportunity.

The Multi-Investment Funds have a broader mandate than the Single Investment Funds, as described below. Investors in a Multi-Investment Fund generally do not receive disclosure regarding each specific investment that the PE Fund will make. As a result, each Multi-Investment Fund's offering documents seek to contain a detailed description of the PE Fund's investment strategies and objectives, including a general description of the asset classes in which the PE Fund will invest.

In general, each Multi-Investment Fund's investment objective is the preservation and consistent enhancement of capital through a diverse portfolio of assets which can consist of other asset classes: real assets; private notes and bank loans; equities; investment-grade and distressed securities in public and private entities; high yield debt; bank debt; capital structure arbitrage; special situations and classical

distressed investing; rescue finance; direct lending and investing; specialty finance and other special co-investment opportunities presented by affiliates and strategic partners of the PE Fund. The Multi-Investment Funds may invest in these assets on a leveraged or unleveraged basis.

## **RISK FACTORS**

*The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in one or more of the Funds. These risk factors include only those risks Sciens believes to be material, significant or unusual and that relate to particular investment strategies or methods of analysis employed by Sciens. In addition to those risks relating to the Funds' strategies and investments that are specifically discussed in this Item 8, Sciens has included a discussion of other risks that Sciens believes may affect such strategies and investments. Sciens also makes additional risk- and conflict-related disclosures in the Confidential Private Placement Memoranda of the Funds and makes various other documents available to investors and prospective investors that bear on various risks and conflicts associated with an investment in the Funds.*

An investment in any privately offered pooled investment vehicle involves inherent risks. Such investments are suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of investment. There can be no assurance that any investment vehicle will meet its investment objectives or that an investor will receive a return of its capital. Additionally, there can be no assurance that any investment will be able to generate returns for investors or that returns will be commensurate with the risks of the investment. Investment in a privately offered pooled investment vehicle should only be made by those that can afford a loss of their entire investment.

The investment approaches described above cover a wide range of investment types and strategies. Many of the material risks associated with our investment strategies are set forth below. For a more complete summary of risks inherent in investing in a Fund, please see the relevant Fund's offering documents or contact us.

**High Degree of Risk.** An investment in a Fund may involve a high degree of risk. All investments risk the loss of capital. The value of a Fund's investments and any income therefrom may go down as well as up. We make no guarantee or representation that any Fund's investment program will be successful. The Funds' investment programs may utilize such investment techniques as margin transactions, short sales, leverage and the use of synthetic instruments, such as swaps, options on securities, forward contracts and other derivative instruments, which practices can, in certain circumstances, magnify the adverse impact to the Funds.

**Availability of Investment Opportunities.** Although we intend to invest the Multi-Investment Funds' assets according to strategy and criteria discussed in the applicable offering documents, there is no assurance that opportunities which meet the Funds' criteria will be available in volume sufficient to meet the needs of any Multi-Investment Fund.

**Business Dependent Upon Key Individuals.** Investors in the Funds place their entire commitments in the discretion of, and are dependent upon the skill and experience of, Sciens, under the leadership of Mr. Rigas. He is an integral part of the investment, marketing and operational components of the Sciens. Mr. Rigas' absence or disengagement from the activities of Sciens could have an adverse effect on the performance of the Fund or the sustainability of the Sciens.

Investors in the Funds have no authority to make decisions or to exercise business discretion on behalf of the Funds. We retain all authority to direct the investment decisions made by the Funds. The success of the Funds is expected to be dependent significantly upon the expertise of our personnel. There can be no assurance that we will continue to retain the services of key employees. To the extent that we are unable

to retain our key employees, we may be unable to identify, invest in and/or successfully manage suitable investments.

**Multiple Managers (Fund of Funds):** We will not have any control over the investments that the Managers make in independent third-party funds (e.g., funds which are not affiliated with Sciens). We may, however, reallocate the Fund of Funds' portfolios among Managers, but our ability to do so may be constrained by limitations on liquidity imposed by the Managers. These limitations on liquidity are likely to prevent rapid reactions to market changes should a Manager fail to effect portfolio changes consistent with such market changes and our intentions.

In general, we will not have access to information about the underlying portfolio positions of a Manager's investments on a daily or regular basis. Investors typically have no right to demand such information of the Managers. Accordingly, we cannot be expected to analyze or respond to developments within any particular Manager's portfolio unless and until information relating thereto is disseminated by the Manager to its investors, including us. Such information may not necessarily be timely or complete.

Our multi-Manager approach places certain constraints on our ability to value the assets of the Fund of Funds' portfolios. The Managers may invest in securities with no current market or for which a market value is not readily determinable. We will rely solely on the Managers' valuations of their respective assets. Such valuations are necessarily not independent, and in many respects are subject to broad discretion on the part of the Managers, even when reflected in audited financial information. Generally, we will not independently verify valuations or other performance information furnished by Managers.

As a Manager is typically compensated based on the performance of its portfolio, a Manager may receive performance-based compensation from a Fund of Fund for a particular period even though the Fund of Funds' overall portfolio depreciated during such period.

The Fund of Funds may accept additional subscriptions from existing investors, accept new subscriptions and permit redemptions and/or withdrawals during a period when one or more Managers in which the Fund of Funds are invested does not permit additional subscriptions, new subscriptions or redemptions and/or withdrawals by the Manager's investors on the same basis. As a result, the Fund of Funds may be delayed in investing their investors' capital in, and in redeeming and/or withdrawing assets from, some Managers. This delay may, in turn, dilute exposure to certain Managers and may tend to affect the proportionate level of investment with particular Managers.

**Performance-Based Compensation.** The performance-based compensation we receive from certain of the Funds may create an incentive for us to cause the applicable Funds to make investments that are riskier or more speculative than would be the case if we did not receive such compensation.

**Third-Party Involvement.** The Funds may co-invest with third parties through acquisition vehicles, joint ventures, affiliated funds or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objective of the Funds. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner.

**Transactions Costs.** The conduct of the Multi-Investment Funds' activities or those of their portfolio investments may involve a high level of trading, and the turnover of securities portfolios in the aggregate may generate substantial transaction costs. These costs may be borne by the applicable Fund regardless of the profitability of the Fund's investment activities.

**Illiquid Assets.** An investment in a Fund is suitable only for sophisticated investors who have no need for current liquidity and investments should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment. Investments in the PE Funds are generally not freely transferable, and investors generally may only voluntarily withdraw under limited circumstances. The nature of the Funds' investment strategies may require a substantial period of time before their investments appreciate in value or become liquid. The Funds' investments will include debt and equity investments for which a public market may not exist. Although the Funds' investments may generate some current income, the return of capital and the realization of gains, if any, from the Funds' investments will generally occur only upon the partial or complete disposition or refinancing of such investment.

Generally, there will be no public market for the investments held by the Funds at the time of its acquisition. To the extent that the Funds' investments are not publicly traded, the Funds may be unable to liquidate the investment for a significant period of time and may be unable to do so at a profit.

Similarly, due to the limitations on liquidity imposed by the Managers with which we may invest the Fund of Funds' assets, an investment in a Fund of Fund may be a relatively illiquid investment and involve a high degree of risk.

**Diversification Among Managers.** The Funds' portfolios may at times be relatively concentrated among a limited number of Managers or portfolio companies. Moreover, such Managers or portfolio companies may have similar investment strategies or approaches, which may have the effect of further increasing concentration. An increase in the degree of investment concentration increases the level of risk exposure to a single Manager or a particular investment strategy. Managers may take positions in the same or similar securities. Such inadvertent concentration of positions may create additional risks and performance consequences which vary from those we have anticipated.

The Managers invest wholly independently of each other and, at times, may hold economically offsetting positions. To the extent that the Managers do, in fact, hold such positions, a Fund's portfolio, considered as a whole, will not achieve any gain or loss, but will continue to incur expenses associated with their management. Gains achieved by one or more Managers or portfolio companies may be partially or wholly offset by losses incurred by one or more other Managers or portfolio companies.

**Risk Arising from Provision of Managerial Assistance.** In certain situations, we seek to obtain rights to participate substantially in and to influence substantially the conduct of the management of the portfolio companies in which the Funds invest. This will often result in us designating directors to serve on the board of directors of such portfolio companies. The designation of representatives and other measures contemplated could expose us and the applicable Funds to claims by a portfolio company, its security holders and its creditors, including claims where we or the Funds are controlling persons and thus are liable for securities law violations of a portfolio company. These measures could also result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against such Funds if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose such clients to claims that they have interfered in management to the detriment of a portfolio company. Although we maintain insurance intended to cover such situations, there is no guarantee that such policies will cover all eventualities or be sufficient to protect the Funds from all liabilities. While we intend to manage the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

**Regulated Industries.** The PE Funds' investments include investments in companies operating in industries that generally are subject to greater amounts of regulation than other industries. These more highly regulated industries include energy, shipping, and natural resources. Investments in companies that

are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and / or regulatory capital requirements. If a company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. A company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a company's business and governments may be influenced by political considerations and may make decisions that adversely affect a company's business. Additionally, certain companies may have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such company's facilities could have a material adverse effect on its business, results of operations and financial condition. Additionally, any such problems may bring scrutiny and attention to a Fund itself, which could adversely affect that PE Fund's ability to implement its investment objectives.

**Risks of Non-U.S. Investments.** Investments outside the United States involve risk factors not typically associated with investing in investments in the United States, including currency fluctuations, possible imposition of withholding or other taxes on income or gains the investments, economic and political risks. While Sciens intends to minimize exposure to these risks, there can be no assurance such risks will not adversely affect the Funds' investments.

**Legal, Tax and Regulatory Risks.** The Funds must comply with various legal requirements, including those imposed by securities, tax and pension laws. Any changes in such laws could materially impact the returns of the Funds.

**Market Conditions.** The PE Funds' strategies rely, in part, upon local market conditions throughout the term of the investment. No assurance can be given that businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will remain stable, recover, or continue to improve since this will depend upon events and factors outside of Sciens' control. Additionally, there can be no assurance that market conditions may not deteriorate during the life of the Funds, which could have a materially adverse effect on the assets of the PE Funds. Actual or perceived trends in certain markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends.

**Risks Relating to Due Diligence.** Before making an investment, Sciens typically will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence generally entails evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties often are involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to Sciens' reduced control of the functions that are outsourced. In addition, if Sciens is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Sciens will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations.

The due diligence investigation that Sciens carries out with respect to any investment opportunity for a PE Fund may not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Additionally, among the other risks inherent in investments, particularly so in companies experiencing financial distress, is the fact that it frequently is difficult to obtain information as to the true condition of such issuers. There can be no assurance that attempts to provide downside protection with respect to companies in which a PE Fund invests will achieve their desired effect and potential investors should regard an investment in a PE Fund as being speculative and having a high degree of risk.

There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices (including, without limitation, violations of applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act) during the due diligence phase or during its efforts to monitor the investments on an ongoing basis. In the event of fraud by any company, any of its affiliates or a Manager, the relevant Fund may suffer a partial or total loss of capital invested in that company or Manager.

An additional concern, particularly in the case of investments in loans, is the possibility of material misrepresentation or omission on the part of the company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the relevant Fund's securities and / or instruments in such company and / or the valuation of the collateral underlying the loans or adversely affect the ability of such Fund to perfect or effectuate a lien on the collateral securing the loan. The relevant Fund will rely upon the accuracy and completeness of representations made by companies and / or their former owners in the due diligence process to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

**Litigation.** In connection with ordinary course investing activities, Sciens, the Funds and their respective affiliates may become involved in litigation either as a plaintiff or a defendant. Moreover, in light of Sciens' distressed investment activities, Sciens, the Funds and their respective affiliates may become parties in interest in bankruptcy proceedings. Given the inherently adverse nature of the bankruptcy claims process, claimants having diverse interests to Sciens and its affiliates will seek to advance wide-ranging arguments intended to enhance their recovery prospects. There can be no assurance that any such litigation, once begun, would be resolved in favor of a Fund. Any such litigation could be prolonged and expensive. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique.

**Valuation Matters.** There is no established market for private investment partnership interests, and there may not be any comparable companies for which public market valuations exist. Because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could be realized by the Funds, and the difference could be material. Under certain conditions the Funds may be forced to sell investments at lower prices than they had expected to realize or defer – potentially for a considerable period of time – sales that they had planned to make. In addition, under limited circumstances, Sciens may not have access to all material information relevant to a valuation analysis with respect to an investment. As a result, the valuation of the Funds' investments, and as a result the valuation of the interests themselves, may be based on imperfect information and is subject to inherent uncertainties. The fair value of all investments or of assets received in exchange for any investments will be determined by Sciens in accordance with the governing fund documents. The valuation of such investments will be determined by Sciens in accordance with its formally adopted procedures and the governing fund documents. Furthermore, the valuation of transactions that occur between Sciens affiliated Funds or personnel will be determined by in accordance with adopted procedures that may include the oversight of an independent advisory board and will be subject to predetermined guidelines. See Affiliated Fund Investing and Cross Trades and Principal Transactions; Advisory Board below.

**Allocation of Fees and Expenses.** Subject to any relevant restrictions or other limitations contained in the governing and offering documents of the Funds, Sciens will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant. In exercising such discretion, Sciens may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Sciens or its affiliates using their best judgment, considering such factors as they deem relevant.

**Cybersecurity Risk.** The information and technology systems of Sciens and of key service providers to Sciens may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Sciens has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Sciens to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Sciens or Sciens Fund accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

**Affiliated Fund Investing.** Certain of Sciens Funds will invest in certain other Sciens Funds (“Affiliated Investments”). Sciens has affiliates that act in an advisory capacity to the Affiliated Investments: (the “Advisory Affiliates”). Sciens may serve as investment adviser or investment manager to other client accounts and conduct investment activities for their own accounts. Such other entities or accounts may have investment objectives or may implement investment strategies similar to those of other Sciens Funds.

In exercising such discretion, certain Sciens Funds may charge a management fee or incentive fee to investors for the investments the Sciens Funds have made in other Sciens funds, where a management and incentive fee is already being charged (“Double Fee Charging”). In general, Sciens seeks to avoid Double Charging whenever possible or appropriate. However, there may be circumstances where Double Charging is appropriate and permitted under the applicable offering materials. Sciens will seek to make clear in its offering materials under what circumstances Double Charging may occur. In doing so, Sciens may be faced with potential conflicts of interest. We may have an incentive to allocate certain investment opportunities to Funds that do not prohibit Double Fee Charging because we may stand to gain greater compensation from by allocating the best investment opportunities to them. We have adopted detailed portfolio opportunity allocation policies and procedures that are designed to result in the fair allocation of investment opportunities in the Funds.

In these instances, and where the governing documents of the Funds do not prohibit Double Fee Charging to investors, Sciens will do so in accordance with the organizational documents of the Funds. Prospective investors must refer to the detailed information found in each Fund’s governing fund documents for specific information about the fees that may be earned by Sciens and the fees and expenses potentially charged to the Funds.

**Cross Trades and Principal Transactions; Advisory Board.** Sciens Funds have and will continue to purchase or sell Portfolio Investments to an Affiliated Investment that is also a client of Sciens or a client of other affiliates of Sciens (“Cross Trades”). Except as mandated by law where the consent of the client is required, Cross Trades may be effected between Funds and other Affiliated Investments in the sole discretion of Sciens, subject to the following guidelines: (i) such transactions will be effected using best execution and for the best price, and (ii) no brokerage commissions, transfer fees or other remuneration will be paid to Sciens in connection with any such transactions. For purposes of these guidelines, where a price

cannot be established through a public securities exchange, Sciens shall seek to ensure that the fair price for the security is based on an independent valuation, such as a valuation report by a qualified agent, or as determined by the Fund's independent audited financial accounts or as reflected in a recent arm's length transaction.

Sciens Funds have and will continue to purchase securities from or sell Portfolio Investments to other Sciens Funds or an affiliate of Sciens ("Principal Transactions"). Sciens will have potentially conflicting division of loyalties and responsibilities to the parties in Cross Trades- and Principal Transactions, including with respect to a decision to enter into such transactions as well as with respect to valuation, pricing and other terms. Sciens has developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be affected in the manner that is most favorable to the Fund. Cross Trades may disproportionately benefit one client over the Fund. Principal Transactions may disproportionately benefit Sciens or an affiliate of Sciens over the Fund. Notwithstanding, Principal Transactions or Cross Trades will be affected in accordance with fiduciary requirements and applicable law.

When a Principal Transaction or Cross Trade is identified, Sciens will seek to obtain the consent of the client before the transaction is concluded. Where the ability to obtain the client's consent is impractical or would be ineffective, Sciens will obtain the consent of an independent advisory board ("Advisory Board") which has been established to represent the client and evaluate the fairness of the transaction. Members of the Advisory Board are appointed by Sciens or an affiliate thereof. Although it is the intent to have the Advisory Board act in an independent manner for the benefit of all affected investors, it is possible that the decision of the Advisory Board would not be the same decision reached by an investor, whether to consent to or reject a transaction. An investor risks that the Fund will enter a Principal Transaction or Cross Trade which is not in the best interests of the investor or the Fund.

**Possible Conflicts with Other Investment Vehicles, or Advisory Clients or Affiliates.** Sciens and its Advisory Affiliates currently serve as general partner, investment adviser or investment manager to a number of private investment funds, portfolio companies or managed accounts. Sciens and its Advisory Affiliates may participate in or sponsor other investment vehicles, and possibly have additional advisory clients, in the future. Sciens, its Advisory Affiliates and/or their respective personnel may and are permitted to engage in other businesses. The existence of such multiple entities, affiliates, clients or other businesses, necessarily creates conflicts of interest. In the event of any conflict of interest, Sciens and its affiliates will act in a manner which they in good faith believe to be in, or are not opposed to, the best interests of the Sciens Fund and consistent with their duty of fair dealing to others.

Under certain circumstances that an investment opportunity does not constitute a Cross Trade or Principal Transaction, Sciens may have an investment opportunity that is also appropriate for the collective investment vehicle that the Affiliated Adviser manages. In such an event, and only if not deemed to be a Cross Trade or Principal Transaction, Sciens may, but is not required to, allocate such opportunity, as between the Fund and the Advisory Affiliates, in such manner as the Sciens deems equitable in its discretion. Similarly, Advisory Affiliates may offer a Fund the opportunity to invest in an investment opportunity available to the Advisory Affiliate. Sciens may choose to participate in such affiliated co-investment Sciens deems it to be in the best interest of the Fund. There can be no assurance that the terms offered to the Fund will be the same as the terms available to the Advisory Affiliate. Notwithstanding, Sciens is entitled to invest Fund capital in one or more Affiliated Investments or other investments in affiliated funds that are managed by Sciens. Such investment discretion creates conflicts of interest. In the event of any conflict of interest, Sciens will act in a manner which in good faith it believes to be in, or are not opposed to, the best interests of the Fund and consistent with its duty of fair dealing to others.

The existence of multiple Funds will create conflicts as to time and resource commitments on the part of the Sciens' personnel. While Sciens' personnel will devote such time to the business of the Sciens Fund as

they deem necessary, each will have other ongoing investment and business responsibilities which could have the effect of reducing the time such personnel devote to the investment activities of the Sciens Fund.

Sciens will be free to allocate investment opportunities among Funds, and any other affiliated collective investment vehicle, proprietary and personal accounts, or portfolio companies that it manages and deems appropriate, subject only to any applicable regulatory restrictions. Although Sciens will endeavour to make such allocations in a manner that in its judgment is equitable to all Funds.

**Funds in Liquidation.** While the foregoing risk factors also apply to some extent to those Funds that are in liquidation, distinct risks arise out of the process of winding up such funds. For example, we generally do not hedge the currency or interest rate risks of the Funds that are in liquidation. We believe that the cost of such hedging outweighs its potential benefit; investors that are concerned about currency or interest rate risks should consider hedging such risks independently. In addition, as we liquidate assets, only those assets that are more difficult to liquidate or value will tend to remain. As a result, investors' rights to withdraw or redeem their investments may be suspended after the Funds have divested themselves of their relatively liquid assets. Finally, concentration concerns discussed above will tend to be exacerbated by the liquidation process.

**Hedging Transactions.** The Funds have utilized financial instruments such as forward contracts, caps and floors both for investment purposes and to seek to hedge against fluctuation in the relative values of its Portfolio Investment positions as a result of changes in currency exchange rates and market interest rates. Currently, the Funds are not utilizing hedges as part of their investment strategies. Notwithstanding, the offering materials for many of the Funds allow the use of such transactions if the Adviser believes it to be in the best interest of the Funds.

Sciens is not required to attempt to hedge portfolio positions in a Fund and, for various reasons, may determine not to do so. Furthermore, Sciens may not anticipate a risk to hedge against it. While a Fund may enter hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, Sciens may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent Funds from achieving the intended hedge or expose the Fund to risk of loss. The success of the hedging strategy of a Fund is subject to the Sciens' ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged.

## **ITEM 9 – DISCIPLINARY INFORMATION**

This Item is not applicable.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser is affiliated with several types of entities, including but not limited to: Other Investment Advisers and General Partners. Many of these affiliations are not in our view material to our advisory business or our clients. Significant affiliations are identified in Section 7.A. of our Form ADV Part 1.

Having affiliated entities may give rise to potential conflicts of interest. A discussion of such potential conflicts of interest, including how such potential conflicts are addressed is included below in Item 11 in this brochure.

## **ITEM 11 – CODE OF ETHICS**

### **CODE OF ETHICS**

Sciens has adopted a Code of Ethics and a compliance manual (collectively, the “Code of Ethics”) that apply to all of our employees and certain persons with whom we are associated (collectively, “Supervised Persons”) describing our standard of business conduct and fiduciary duty to our investors. All Supervised Persons are also required to comply with applicable federal securities laws. The Code of Ethics is designed to prevent, among other things, any improper conduct whenever any potential conflict of interest may exist with respect to a client. In addition, the Code of Ethics requires the firm and/or all Supervised Persons to safeguard and prevent dissemination of non-public information, to refrain from engaging in self-interested transactions without prior approval, to develop adequate internal accounting controls and maintain proper books and records, and to refrain from insider trading. The Code of Ethics also outlines the duties of care and loyalty that the firm and its supervised persons are required to uphold with respect to clients, including our obligation to exercise a high degree of care, to seek best execution, to safeguard client assets, to act in the best interest of clients and to render impartial advice to clients. All Supervised Persons must acknowledge the terms of the Code of Ethics annually, or as and when amended. A copy of our Code of Ethics is available upon request to the Chief Compliance Officer at (212) 471-6100 or [compliance@scienscapital.com](mailto:compliance@scienscapital.com).

### **INTERESTED TRANSACTIONS**

We anticipate that, in certain circumstances, consistent with the Funds’ investment objectives, we will direct the Funds to purchase or sell securities in which we, our affiliates and/or our owners, directly or indirectly, have an interest. As a result, our Supervised Persons might benefit from investment activity by a Fund in commonly owned securities. Accordingly, Supervised Persons are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, Supervised Persons may trade for their own accounts in securities which are purchased for the Funds. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the Supervised Persons will not interfere with making decisions in the best interest of the Funds. Under the Code of Ethics, certain classes of securities may be designated as exempt transactions, based upon a determination that investments in these securities would not materially interfere with the best interest of the Funds. In addition, the Code of Ethics requires pre-clearance of transactions in private securities (including securities in hedge funds, PE Funds or Fund of Funds that may be managed by the Managers). Trading by Supervised Persons is monitored on an ongoing basis in an effort to prevent potential conflicts of interest between ourselves and the Funds.

Supervised Persons may invest in the Funds. Except to the extent that these affiliated investors may not be subject to management fees or performance-based compensation, such investments are exposed to the same underlying portfolio of investments, have the same liquidity limitations and share the same risk as all other investors in the Funds.

### **CROSS TRADES AND PRINCIPAL TRANSACTIONS**

Sciens may engage in cross investments between Funds when such a transaction is advantageous for each participant. However, no accounts subject to ERISA with less than \$100 million in assets may be included in any cross trade.

Sciens may also engage in Principal Transactions. Section 206(3) of the Advisers Act prohibits Sciens and any Supervised Person or other affiliate from trading with any Fund on a principal basis, or from recommending an agency cross trade to both participants, unless Sciens discloses the capacity in which it is acting to each participating Fund in writing before completion of the transaction and obtains each participating Fund’s consent to the transaction.

Sciens established an Advisory Board to oversee, approve or deny any Cross Trades or Principal Transactions that may give rise to a conflict of interest. The Chief Compliance Officer is responsible for obtaining and retaining any affected Fund's informed written consent or denial of the transaction.

See Item 8, Cross Trades and Principal Transactions; Advisory Board for further disclosure on such transactions.

## **ITEM 12 – BROKERAGE PRACTICES**

We do not engage brokers in the execution of our investment strategy on behalf of the Funds. The Funds buy or sell securities directly. This Item is therefore not applicable.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Private Equity Funds**

The PE Funds primarily make equity and equity-related investments in private companies, for which we then take an active role in managing the board and setting strategic direction. In this regard, our investment personnel are constantly reviewing the PE Funds' investments. However, because of the private equity and opportunistic nature of these investments, we do not review the PE Funds' accounts for purposes of rebalancing. Investors in the PE Funds receive periodic reports on their investments.

### **Fund of Funds**

Except for the Funds of Funds that is in liquidation, we continuously review the Fund of Funds' portfolio with respect to investment policy and the suitability of the investments used to meet its objectives. Such portfolio reviews are also conducted by our investment committee from time to time to assess, among other things, investment performance and whether the Fund of Funds' portfolio continues to meet certain investment criteria established by the team that manages the Fund of Funds' portfolio.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

This Item is not applicable.

## **ITEM 15 – CUSTODY**

Sciens and its Relying Advisors are required to comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule") as per Sciens' registration as an investment adviser with the SEC. The Custody Rule requires, among other matters, that investment advisers with custody of client assets to maintain the assets of their private funds with a Qualified Custodian (e.g., a bank or a broker-dealer) for safekeeping. Sciens is deemed to have custody of client assets due to its role, or an affiliated entity's role, as general partner, managing member or similar role for its Private Funds. The Custody Rule prescribes a number of requirements designed to enhance the safety of client assets by insulating them from possible unlawful or inappropriate activities.

Sciens seeks to satisfy its Custody Rule obligations with respect to each Fund by complying with the requirements related to quarterly delivery of custodial account statements, where applicable, to the underlying investors of the Fund by the Fund's appointed qualified custodian and obtaining an annual independent verification of assets (i.e., surprise examination requirements) by an independent audit firm or

by complying with the Custody Rule's pooled investment vehicle audit exemption (Rule 206(4)-2(b)(2)(ii)). Fund investors should carefully review the statements received from the qualified custodian.

## **ITEM 16 – INVESTMENT DISCRETION**

As described in greater detail in Item 4, we have discretionary authority to manage the Funds' accounts. Aside from the investment limitations set forth in the Funds' offering documents, if any, we do not permit investors in the Funds to limit our investment discretion with respect to the assets we manage.

Prior to assuming discretion in managing a Fund's assets, we enter into an investment advisory agreement or other agreement that sets forth the scope of our discretion. Unless otherwise instructed or directed, we have the authority to determine (a) the acquisition and disposition of the Funds' investments, (b) the Managers to which the Fund of Funds' assets will be allocated and (b) the portfolio companies to which the private equity assets will be allocated or the amount and terms of such allocation of assets (subject to restrictions on its activities set forth in the applicable investment advisory agreement and any written investment guidelines). As a result of the differences in the investment objectives and strategies, risk tolerances and other criteria among the Funds, there may be differences among the Funds' investments, underlying Managers, positions and securities held, as applicable.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Sciens has adopted and implemented proxy voting policies and procedures that are designed to ensure that we vote proxies with respect to client securities in the best interests of our clients in accordance with Rule 206(4)-6 under the Investment Adviser Act of 1940, as amended. We do not anticipate owning any equity securities granting us or the Funds the right to vote proxies. However, if we were to exercise voting authority with respect to the Funds, we would act in accordance with certain policies and procedures which are reasonably designed to ensure that such voting authority is exercised in the best interest of the Funds, after taking into consideration all relevant facts and circumstances at the time such voting authority is being exercised and in accordance with our fiduciary duties and applicable rules and regulations. Pursuant to our policies and procedures, we identify and address conflicts of interest between ourselves and the Funds. If a material conflict of interest exists, we determine whether voting in accordance with existing policies is in the best interests of the Funds, or whether it is in the Funds' interest to take some other appropriate action.

Investors in the Funds may obtain a copy of Sciens' proxy voting policies and procedures and information about how we have voted proxies in the past by contacting Sciens' Chief Compliance Officer at (212)-471-6100 or [compliance@scienscapital.com](mailto:compliance@scienscapital.com).

## **ITEM 18 – FINANCIAL INFORMATION**

A balance sheet is not required to be provided as Adviser (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.