

operations teams that were involved in the management of the SOF Funds at Deutsche Bank have joined the Manager and the U.S. Adviser. Accordingly, in evaluating the past performance of the SOF Funds, prospective investors should note that the partners and employees of the Manager and the U.S. Adviser were formally part of Deutsche Bank, a large institution, and, in connection with the investments comprising the track record of the SOF Funds, such persons functioned as part of a larger group within Deutsche Bank and the success or otherwise of the SOF Funds should not be solely attributed to the partners and employees of the Manager and the U.S. Adviser.

Liquidity risk

The Fund's investments are typically expected to be highly illiquid investments that are not listed on a stock exchange or for which there may only be a limited number of potential buyers. Political and regulatory considerations (including limitations on ownership and approval rights) could also affect the ability of the Fund to buy or sell investments on favorable terms. As a result, there can be no assurance that the Fund will be able to realize cash from such investments in a timely manner, and dispositions of such investments may require a lengthy time period or may result in distributions in kind to Investors. Moreover, the realizable value of a highly illiquid investment may be less than its intrinsic value or the valuation assigned to it by the Fund.

Distributions in kind

Although, under normal circumstances, it is intended that the Fund will make distributions in cash, it is possible that upon the liquidation of the Fund and in certain other circumstances as set out in the Fund Documents distributions may be made in kind (or *in specie*) and could consist of securities for which there is not a readily available public market, securities that are subject to legal and contractual transfer restrictions or securities of entities unable to make distributions.

Investor risk

Investors will be obliged to meet drawdown notices promptly, and failure to do so may subject an Investor to severe consequences as set out in the Fund Documents, including without limitation forfeiture of its Interest. Should an Investor fail to provide the money drawn down from it promptly, the Fund may be unable to consummate the investment for which the money was to be provided or may be unable to meet other obligations when due. As a result, the Fund may be subjected to significant penalties (which could materially and adversely affect the returns to Investors) and money provided by the other Investors may be returned to them without having been invested and will be subject to recall. If a defaulting Investor's Interest is forfeited, the total Commitments may be reduced, which will limit both the number of investments the Fund can still make, and the diversity of its investments including those that it has already made. Further, in the event that an Investor fails to comply with its obligations under the Fund Partnership Agreement to provide certain information, and comply with certain procedures, to enable the Fund to comply with the recently enacted U.S. Hiring Incentives to Restore Employment Act, such failure may subject an Investor to severe consequences as set out in the Fund Documents.

Amounts and timings of payments to the Fund are uncertain

Drawdowns may occur at any point, and for any amount (up to an Investor's undrawn commitment to the Fund), during the life of the Fund, including after the termination of the Investment Period.

Risks associated with unspecified transactions

There are risks and uncertainties to Investors with respect to the selection of investments. Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the Manager in sourcing suitable transactions and in investing and managing the assets of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments at attractive prices or that it will be able to fully invest Commitments.