

otherwise verified by any outside party and should not be construed as representative of the returns that may be achieved in the future. The return data does not reflect a composite and has not been presented in accordance with Association for Investment Management Research (AIMR) standards. No assurance can be given that the past investments made by any of the SOF Funds would be suitable for the Fund. Past performance is not an indication of future results and no representation or warranty is made as to the returns which may be experienced by Investors.

Availability of investments and competitive nature of the Fund's business

The business of the Fund is highly competitive. The success of the Fund depends on the ability of the Manager to identify and select appropriate investment opportunities as well as the Fund's ability to acquire such investments in a competitive environment. The Fund will be competing for investment opportunities against other investors, including private equity funds and hedge funds. The availability of investments and/or the price of such investments will be affected by these competitors for such investments, many of which (i) have financial and strategic resources significantly in excess of those of the Fund, (ii) may make competing offers for investment opportunities that are identified by the Fund, and (iii) may be willing to offer terms more favorable than those offered by the Fund. Competition for investment opportunities may increase, thus reducing the number of opportunities available to the Fund and adversely affecting the terms upon which investments can be made. Consequently, the Manager may be unable to identify a sufficient number of investment opportunities for the Fund and the Fund may be unable to acquire investments on attractive terms. There is no guarantee that suitable investments will be or can be secured, or that they will be successful, or that they will meet the Fund's requirements in respect of diversity. There can be no assurance that the Manager will be able to identify and consummate a sufficient number of investments to permit the Fund either to invest all of its capital, to diversify its investments to the extent anticipated, or to meet the Fund's return objectives. Also, the Fund may incur bid costs on transactions that may not be successful, and consequently the Fund may not be able to recover such costs, which would adversely affect returns. No assurance is given that the Fund's investment objective will be achieved.

Dependence on the Manager, key personnel and service providers

Investors will have no opportunity to control the day-to-day operations of the Fund, including investment and disposition decisions. In order to safeguard their limited liability for the debts and obligations of the Fund, Investors must rely entirely on the General Partner, and by virtue of the relevant agreements, the Manager, and their respective personnel to supervise, conduct and manage the affairs of the Fund.

The success of the Fund depends in substantial part on the skill and expertise of the Key Persons and other investment executives of the Manager and the U.S. Adviser. There can be no assurance that such persons will continue to be associated with the Manager or the U.S. Adviser (as the case may be) throughout the life of the Fund. The loss of the skill and expertise of such persons could have a material adverse effect on the Fund. In addition, Investors should be aware that the Manager and certain personnel of the Manager (including the Key Persons) will continue to devote such time and attention to the management of the SOF Funds as is required to discharge their duties relating to the ongoing activities of the SOF Funds.

The Fund is reliant on the performance of its depositary for its successful operation, and may be materially affected by a failure in the depositary's performance.

Lack of operating history

Although members of the Manager's investment team have had extensive experience investing in the private equity sector, the Fund, the Manager, the U.S. Adviser, the General Partner and the Second GP are newly formed entities with no operating history upon which to evaluate the Fund's likely performance. Investors must rely upon the Manager to identify, structure and implement investments consistent with the Fund's investment objectives and policies.

Prior affiliation with Deutsche Bank

As described in "History" in Section 1: *Executive Summary* of this Memorandum, not all members of the investment and