

## **Perkins Fund Marketing**

### **General Risks of Investing in Private Investment Funds (e.g Hedge Funds)**

WHEN CONSIDERING INVESTMENTS IN PRIVATE INVESTMENT FUNDS (“FUNDS”), SUCH AS HEDGE FUNDS AND FUNDS OF FUNDS, EACH INVESTOR SHOULD CONSIDER VARIOUS RISKS INCLUDING THE FACT THAT SOME FUND PRODUCTS: USE LEVERAGE AND OTHER SPECULATIVE INVESTMENT PRACTICES THAT MAY INCREASE THE RISK OF INVESTMENT LOSS; CAN BE ILLIQUID; ARE NOT REQUIRED TO PROVIDE PERIODIC PRICING OR VALUATION INFORMATION TO INVESTORS; MAY INVOLVE COMPLEX TAX STRUCTURES AND DELAYS IN DISTRIBUTING IMPORTANT TAX INFORMATION; ARE NOT SUBJECT TO THE SAME REGULATORY REQUIREMENTS AS MUTUAL FUNDS; OFTEN CHARGE HIGH FEES; AND IN MANY CASES THE UNDERLYING INVESTMENTS ARE NOT TRANSPARENT AND ARE KNOWN ONLY TO THE INVESTMENT MANAGER.

#### **FUND INVESTORS SHOULD BE AWARE THAT:**

- RETURNS FROM SOME FUNDS CAN BE VOLATILE.
- INVESTORS MAY LOSE ALL OR PORTION OF THEIR INVESTMENTS IN FUNDS.
- WITH RESPECT TO SINGLE INVESTMENT MANAGER FUND PRODUCTS, THE INVESTMENT MANAGER HAS TOTAL TRADING AUTHORITY. THE USE OF A SINGLE INVESTMENT MANAGER COULD MEAN A LACK OF DIVERSIFICATION AND HIGHER RISK.
- MANY FUNDS ARE SUBJECT TO SUBSTANTIAL EXPENSES THAT MUST BE OFFSET BY TRADING PROFITS AND OTHER INCOME.
- TRADING MAY TAKE PLACE ON FOREIGN EXCHANGES THAT MAY NOT OFFER THE SAME REGULATORY PROTECTION AS U.S. EXCHANGES.
- AS TO A FUND THAT IS A FUND OF FUNDS, THE INVESTMENT MANAGER HAS COMPLETE DISCRETION TO INVEST IN VARIOUS SUB-FUNDS WITHOUT DISCLOSURE THEREOF TO INVESTORS OR TO PERKINS. BECAUSE OF THIS LACK OF TRANSPARENCY, THERE IS NO WAY FOR INVESTORS TO MONITOR THE SPECIFIC INVESTMENTS MADE BY THE FUND OF FUNDS OR TO KNOW WHETHER A SUB-FUND'S INVESTMENTS ARE CONSISTENT WITH THE SUB-FUND'S INVESTMENT PHILOSOPHY. FUND OF FUNDS INVEST IN OTHER FUNDS AND FEES MAY BE CHARGED AT BOTH THE FUND OF FUNDS AND SUB-FUND LEVELS. THUS THE OVERALL FEES INVESTORS WILL PAY MAY BE HIGHER THAN INVESTORS WOULD PAY BY INVESTING DIRECTLY IN THE SUB-FUNDS. IN ADDITION, EACH SUB-FUND WILL LIKELY CHARGE AN INCENTIVE FEE ON PROFITS REGARDLESS OF WHETHER THE OVERALL OPERATIONS OF THE FUND OF FUNDS ARE PROFITABLE.
- THERE IS NO SECONDARY MARKET FOR FUND INTERESTS. TRANSFERS OF FUND INTERESTS ARE SUBJECT TO LIMITATIONS. A FUND'S MANAGER MAY DENY A REQUEST TO TRANSFER FOR ANY REASON.
- PAST PERFORMANCE OF ANY INVESTMENT IS NOT INDICATIVE OF FUTURE RESULTS. INVESTORS SHOULD ONLY COMMIT RISK CAPITAL TO A FUND INVESTMENT. FUND PRODUCTS ARE NOT FOR EVERYONE AND ENTAIL RISKS THAT ARE DIFFERENT

FROM MORE TRADITIONAL INVESTMENTS. INVESTORS SHOULD OBTAIN INVESTMENT AND TAX ADVICE FROM THEIR ADVISERS BEFORE DECIDING TO INVEST.

A FUND'S OFFERING MATERIALS AND/OR AN INVESTMENT MANAGER'S DISCLOSURE DOCUMENTS DESCRIBE VARIOUS RISKS AND CONFLICTS OF INTEREST RELATING TO FUND INVESTMENTS. EACH INVESTOR SHOULD READ THOSE DOCUMENTS CAREFULLY TO DETERMINE WHETHER AN INVESTMENT IS SUITABLE IN LIGHT OF, AMONG OTHER THINGS, SUCH INVESTOR'S FINANCIAL SITUATION, NEED FOR LIQUIDITY, TAX SITUATION, AND OTHER INVESTMENTS.

PERKINS HAS ENTERED INTO SELLING AGREEMENTS WITH THE FUNDS MARKETED BY IT, PURSUANT TO WHICH IT IS PAID FEES BY THE FUND OR ITS INVESTMENT MANAGER IN CONNECTION WITH CERTAIN SALES OF FUND INTERESTS.

[THE INFORMATION PRESENTED ON THIS WEB SITE HAS BEEN OBTAINED FROM SOURCES THAT PERKINS BELIEVES TO BE RELIABLE. HOWEVER, PERKINS HAS NOT AND CANNOT VERIFY THE ACCURACY OF SUCH INFORMATION, AND POTENTIAL INVESTORS SHOULD BE AWARE THAT SUCH INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE. NOT ALL PRODUCTS AND SERVICES DESCRIBED ON THIS WEB SITE ARE AVAILABLE IN ALL JURISDICTIONS. CERTAIN INVESTMENT PRODUCTS THAT ARE AVAILABLE TO U.S. PERSONS HAVE NOT BEEN REGISTERED WITH ANY FEDERAL OR STATE REGULATOR, AND AS A RESULT ARE AVAILABLE ONLY TO CERTAIN QUALIFIED INVESTORS. QUALIFICATIONS VARY FROM PRODUCT TO PRODUCT.

ANY INFORMATION ON THIS WEB SITE REFERRING SPECIFICALLY TO INVESTMENT PRODUCTS OFFERED BY PERKINS IS ONLY AVAILABLE TO VIEW BY QUALIFIED PERSONS WITH A USERNAME AND PASSWORD, WHICH CAN BE OBTAINED BY REGISTERING AND QUALIFYING. BY REGISTERING AN INVESTOR UNDERSTANDS THAT PERKINS MAY, AT ITS SOLE DISCRETION, SEND THE INVESTOR INFORMATION (ELECTRONICALLY OR OTHERWISE) ON VARIOUS PRODUCTS IT OFFERS THAT IT BELIEVES ARE SUITABLE FOR SUCH INVESTOR AND SUCH INVESTOR EXPRESSLY CONSENT THERETO. INVESTORS MAY NOTIFY PERKINS IN WRITING, AT ANY TIME TO REMOVE THEIR NAME FROM ITS PRODUCT DISTRIBUTION LIST.

THE INFORMATION ON THIS WEB SITE SHOULD NOT BE CONSTRUED AS INVESTMENT ADVICE. INVESTORS SHOULD OBTAIN INDEPENDENT INVESTMENT AND TAX ADVICE BEFORE DECIDING TO INVEST IN ANY FUND OR OTHER INVESTMENT PRODUCT.