

Unity Technologies

Unity Technologies is the creator of an end-to-end development platform that is used to build immersive and multi-platform applications such as mobile devices, home entertainment systems, laptops and computers, and augmented and virtual reality devices. In 2004, Unity was founded by Nicholas Francis, Joachim Ante and David Helgason. The company will shortly be traded on NYSE under the single-letter "U".

Company Highlights

Growth in Revenues and Expenses: The company has seen increase in sales in the market and innovative solutions divisions. From \$380.8 Million in December 2018 to \$541.8 Million in December 2019, reflecting an annual rise of 42%.

The key costs of Unity are to investments in R&D and recruiting skilled workers to retain the innovative technological niche in the market. The company's costs rose dramatically by 33.5%, from \$429.8 Million in 2018 to \$573.9 Million in 2019.

No Debt: Unity is a zero debt company with its valuation soaring from \$6.28 Billion since its last round of financing in May 2019 to \$10.01 Billion while it filed for an IPO in a short span of 1 year.

Acquisitions: Unity's new acquisitions include Applifier, deltaDNA, Finger Food, Multiplay and Vivox, which have improved the platform 's versatility, added the main creative talent to the staff, and further strengthened Unity's one-stop integrated platform to meet the developer 's demand.

Market Share: Since 93 out of the 100 largest gaming studios are Unity's clients, more than half of all mobile computing, PC and console games on the market are made using Unity's platform.

Business Verticals: Unity's SaaS operates with a remarkable net expansion rate; and it can also assert exposure to domains such as mobile ads, 3D animation and AR / VR content. It also enabled Unity expand globally by growing the number of customers producing yearly revenue of more than \$100,000 by 39% to 716 in the reporting period of June 2020.

Key Players: Unity's strategic partners in the gaming market are Sony Corporation, Microsoft, Nintendo are big tech giants who try to keep innovating and releasing next-generation gaming consoles provides a significant competition among the rivals.

Industry | Entertainment Software

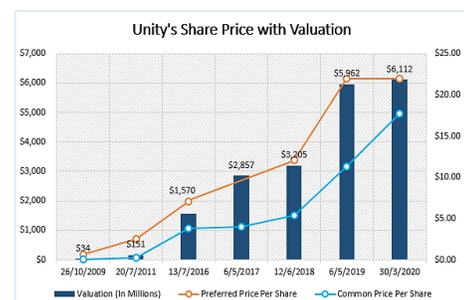
Headquarters: San Francisco CA, US

Key Terms

Expected IPO Date	To be announced
Issue Type	Shares (Common stock)
Issue Size	238,366,733
Offer for Sale	46,217,478
Fresh Issue	25,000,000
Face Value	\$0.000005
IPO Price	\$34.00 - \$42.00
Listing At	NYSE
Last trading price - Secondary Market	\$22.00 - \$25.72
Last Trading Date - Secondary Market	30-Jun-20

Particulars	2018	2019	Change in %
Valuation	\$ 3.2 B	\$6.13 B	91.50%
Revenue	\$380.8 M	\$541.8 M	42.28%
Expenses	\$429.8 M	\$573.9 M	33.50%
Gross Profit/(Loss) Margin	\$299.4 M	\$423.2 M	41.35%
Net Profit/(Loss) Margin	(\$131.6 M)	(\$163.2 M)	24.01%
Liabilities	\$273.2 M	\$368.9 M	35.03%
Assets	\$589.3 M	\$672.8 M	14.17%
Cash	\$273.2 M	\$147.1 M	46.15%

Valuation with Price Per Share



Source: Prime Unicorn

Prepared by Sandeep Kumar, Daksh Arya and Sargam Palod for Torre AI Pte. Ltd.

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Market Sentiments

Perfect timing for introducing the IPO as the US markets seems to be on a steady recovery and the fierce competition from the Epic Games is at its minimum.

Mobile gaming continues to be a fast-growing market, Unity's IPO looks ready to get some very lucrative post-IPO multiples and extending to other areas, such as virtual reality activities.

Many tech giants are entering the U.S. stock market before the United States presidential election on November 3. Tech companies like Snowflake, JFrog, Sumo Logic have begun to take investor orders for their IPOs.

With Apple introducing stringent terms and conditions to improve the trust of the customers and add accountability to its platform-maintaining the activities of the user from being monitored by mobile apps. Unity's mobile ad sector in the longer term may be harmed if it is unable to assess customer preferences.

In order to gain new user base, with its next-generation version of Unreal Engine (UE5), Epic has intensified its efforts by revealing that players would not have to pay game royalties on their first \$1 million in gross sales. This might affect Unity's retained subscribers as entrants prefer to switch with variation in pricing strategies.

Industry Outlook

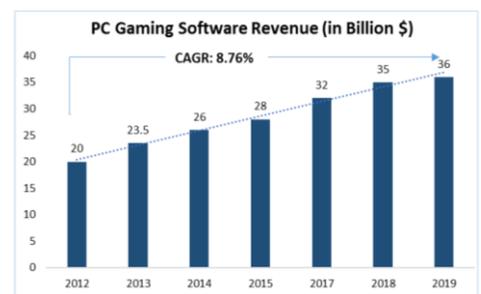
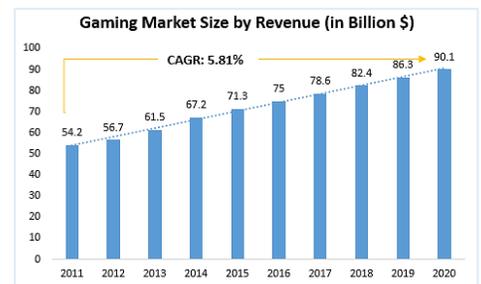
Digital Gaming: Digital game revenues are expected to grow to \$94.4 Billion with mobile gaming growing 19% over the year to \$46.1 Billion. PC and console game markets are expected to generate \$29.4 Billion and \$33.5 Billion, respectively with the past CAGR of more than 6% since 2011.

Growth Segments: The mobile segment is expected to gain traction and exhibit a CAGR of 7.3% over the forecasted period owing to a rise in smartphone penetration across the globe. The PC gaming segment has seen considerable growth in the past seven years, with CAGR projected to grow by 8.6% from 2020 to 2025. This can be due to growing broadband access and increasing gaming on the social network.

Expansion of Mobile Gaming: This increasing demand for mobile games is a direct result of a range of technological developments in the market, such as AR, VR and cloud gaming. Increasing penetration of mobile applications across regions have led to intense rivalry.

Geography: Smartphone gaming in the USA alone has a large market of about 200 Million mobile game players and provides advertisers, web developers and publishers with cost-effective solutions.

As Asia Pacific is the second biggest gaming market, it is also estimated that by 2025 the market size will be \$86.84 Billion and that the number of mobile internet gaming players in the South East Asian region will grow to 250 Million.



Source: Clairfield International



Unity's SWOT Analysis

Strengths:

- Unity has an extensive range of solutions for designing, running, and monetizing 3D games and applications that depend on customers and end-users' forecasted lifetime value.
- It is an increasing marketplace with a global scope of over 2 Billion active monthly end-users who consume content created or run on solutions of harmony on more than 20 platforms.
- Developers spend an average of 5.1 hours each day on Unity Pro product lines from June 2020.

Weakness:

- With a series of losses in the past Unity may not achieve or sustain profitability in the future.
- The business depends on the ability to retain existing customers and expand their use of the platform with consistent and heavy investment in Research and Development for innovative solutions.

Opportunities:

- Real-time 3D has had a huge impact till date in gaming, which has grown from a less than \$15 Billion industry 20 years ago to a colossal \$140 Billion giant in annual revenue today based on downloaded PC, browser PC, console, tablet and smartphone game revenue.
- Gaming is now the fastest growing category in media with over 2.5 Billion gamers worldwide. The global gaming market is registering a CAGR of 9.17% over the forecast period of 2020-2025.

Threats:

- Smaller game developers, such as Epic Games, are gaining traction by the proposing that players would not have to pay royalties on gross sales for their very first \$1 Million.
- Unity's vulnerability to collection and credit risk, currency exchange rate volatility, unfavourable financial implications that could influence the operating results of the company.
- Global operations pose the risk of security breaches resulting in enforcement actions by government officials alleging violation of laws.

Headquarters and Offices

Headquartered in San Francisco CA, US. Unity has 34 additional offices in Canada, China, Colombia, Denmark, Finland, Germany, Belgium, France, Ireland, Korea, Japan, Lithuania, Singapore, Sweden, Ukraine, and the United Kingdom.

Intellectual Property

Investing over \$450 Million in R&D and with more than 56% of the total employees involved for the same.

Patents: Unity has issued 40 patents in the United States and 8 patents in the non-U.S. jurisdictions along with 79 patent applications pending for approval globally as of June 2020.

Unity filed for a patent relating to in-game crypto-currency coins. There are virtually no evident ways to attribute objects (both physical and virtual) to specific identifiers and to permit objects to be modified, transferred, swapped, traded, and associated with position, thus digital asset tokenization.

Financial Results and Highlights

Revenue: The company’s revenue is steadily increasing. As of Dec, 2019, Unity Technologies revenue has reached \$541.8 Million which is up by 42.28% from Dec, 2018. For the six months ending 30 June 2020, revenue increased by 39%, from \$252.8 Million in 2019 to \$351.3 Million in 2020.

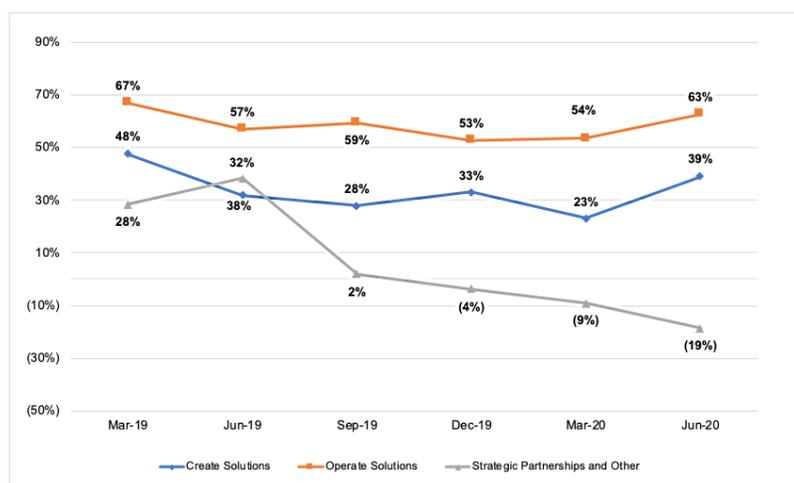
Expenses: Unity’s major expenses go into R&D investments and hiring competitive employees. The expense increased by 33.5%, from \$429.8 Million in 2018 to \$573.9 Million in 2019.

Net Loss: While the company reported a net loss of \$131.6 Million in 2018 to \$163.2 Million in 2019 which is an increase of 24% from last year. Net loss was \$67 Million in 2019 but \$54 Million in 2020; for the six months ending June 2020 has been decreased. Its free cash flows being negative at \$34.7 Million.

Cash: Cash as Asset with the company has declined from \$258.7 Million in December 2018 to \$129.9 Million in December 2019 showing a 50% increase in usage to meet its immediate liquidity requirement.

Whereas the cash as asset has increased from \$339.8 Million in June 2019 to \$453.2 Million for June 2020, indicating a 33.5% increase, indicating a lower operating requirement or money raised from issue of common shares.

Growth of Unity’s Business Segments over the years:



Others: The retention rate being 100% in the past couple of years to scale the business and leverage its products in the markets against strong competitors like Epic. Deal Size is \$150 Million.

Net Assets: With the total net assets increasing by 29.4% from \$589.3 Million in December 2018 to \$762.8 Million in December, 2019. For last six months ending June 2019 and June 2020, the number rose from \$810.4 Million to \$1289.1 Million respectively, capturing a 59% growth.

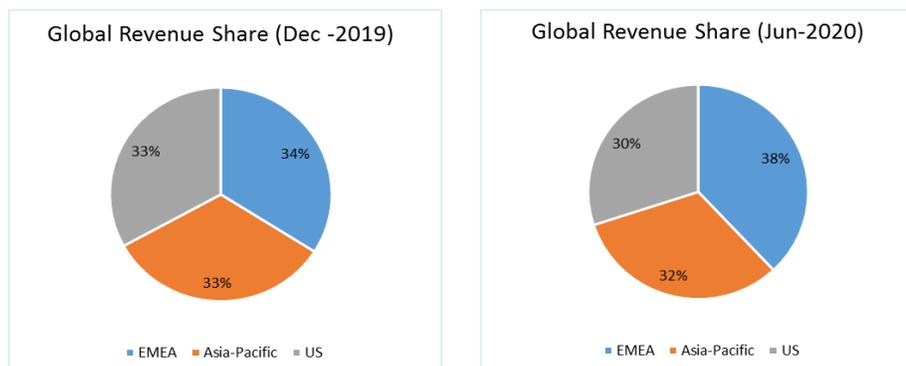
Working Capital: The company’s working capital requirement has declined from \$184.8 Million to \$30.8 Million respectively showing an 83.6% decline from the year ending December 2018 to December 2019 respectively. This implies increase in its current liabilities requirement for December 2019. On the contrary the current liabilities have decreased for the six months ending June 2020 with respect to June 2019.



Global Scale of Operations

In the year 2019, and the six months ended June 2020, 34% and 38% of the revenue was generated by customers in EMEA, respectively; 33% and 32% of the revenue was generated by customers in Asia-Pacific, respectively; and 33% and 30% of the revenue was generated by customers in the US, respectively.

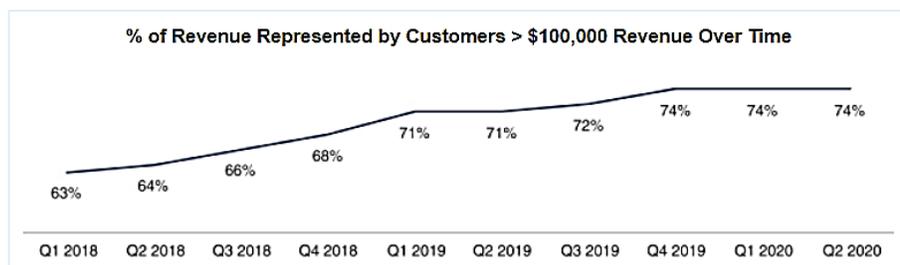
Here we see a slight shift happening over the past six months from US to the EMEA region, due to factors like saturation in the US markets and fewer competitors tapping the EMEA region.



Business Model

Subscription Based: It provides a free personal plan and a premium package, with rates as high as \$125 per person per month for the Unity Pro account. It also provides a corporate pricing package for bigger organisations.

Customer Cohort: The key metric for strong growth revenue growth is the customer base who have generated more than \$100,000 of revenue in the trailing 12 months. This segment of customer base has increased from 484 to 600, accounting for a 24% increase in the number of contributors.



Source: Unity's S-1

Active Users: With more than 2 Billion monthly active customers contributing up to 8 Billion hours of gaming per month, as well as 1.5 Million monthly active developers. The developers created 8,000 applications and games each month with Unity in the six months up to June 2020.

Impact of COVID-19 on Business and Industry

A March 2020 survey reveals that computer gamers in the United States stated that they spent 45% more time playing video games in quarantine than in the preceding week without quarantine.

On the contrary, many of Unity's clients and strategic partners are facing downturns in their economic activity – resulting in delays in investment, demanding price concessions or negotiations of contracts, promotional expenditures could lead to a reduction in sales or failure to recover receivables that could significantly affect the company.



Business Segments and Opportunities

Gaming Industry: In the gaming industry, Unity reports that the business demand was \$12 Billion in 2019, this number is likely to be worth more than \$16 Billion by 2025. Unity aims to extend the applicability of its software, via AI-assisted workflows and better performance technologies. Monetizing games through advertisements and in-app transactions (referred to as "Operate Solutions").

Electronic Arts, Take-Two Interactive, Ubisoft and Tencent are customers of Unity's Operate Solutions.

Non-Gaming Industry: In the non-gaming industry the market opportunity estimates to Create Solutions and Operate Solutions to be around \$17 Billion. Industry applications include Architecture, Automotive, Film etc. Across these industries Unity's solutions and technology are unveiling new forms of creativity and cost-efficient techniques that are impossible with conventional tools.

Robust and diverse partner ecosystem that includes leading hardware, operating system and technology providers such as Apple, Microsoft, Google, Intel, Nintendo, DeepMind, Autodesk, ARM, Sony, and Tencent.

Growth Innovation and Future Products

3D: Unity recently launched Unity Forma, which provides developers a product configuration toolkit for both the high fidelity of Unity's real-time 3D interactivity and rendering capacity, and the broad distribution of Unity Runtime's multi-platform compatibility.



Source: Unity's S-1

Interactive, real-time 3D applications can now be run on low-cost PCs and cell phones. Advances in GPUs also allowed a vast range of high-fidelity real-time 3D content that was historically available only on chosen high-performance computers and consoles.

AR and VR: Unity is investing in R&D to incorporate technology, robotics, visualisation, teamwork and experiential technologies to create solutions and to expand the number of applications for products.

For example, Unity MARS, which lets developers create, test and visualise AR and VR applications in real time.

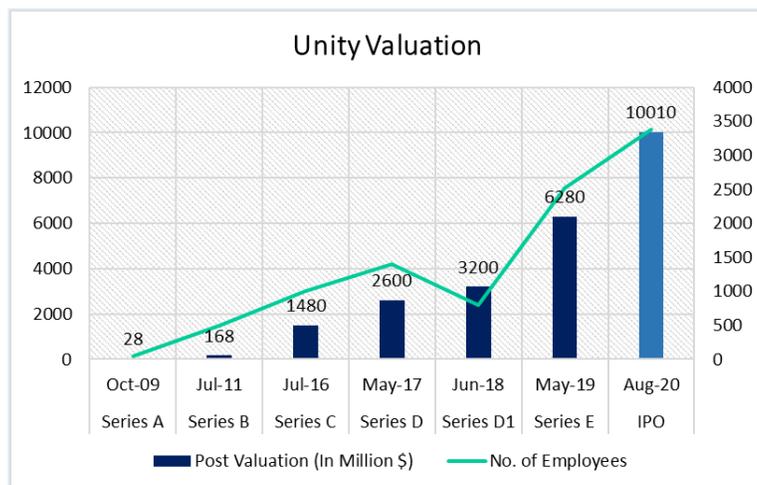
Augmented Reality and Virtual Reality haven't truly evolved as a gaming platform, with just 44% of participants playing AR and VR games online, 67% say that they will play games on the AR and VR gaming devices in the future. The key obstacles to acceptance are the already-high costs of AR and VR products and the nascent state of the technology.

Market Size and Target Users: There are 37 Million developers and technicians, based on the statistics released by Cambashi in April 2019, who may be new consumers of various current and future goods on the platform, assuming that this possible demand provides a value creation several times greater than the roughly \$29 Billion global consumer demand we see today.



Valuation

Pre-money valuation is \$6.13 Billion and Post-money valuation being \$6.28 Billion (Series E) as on 6 May 2019. As of 20 August 2020, Unity stands at \$ 10.01 Billion Valuation.



*10100 (in Million \$) estimated figure as of August 2020.

Fundraising

On an unspecified date, the firm received an undisclosed amount of venture financing from Silver Lake Management, Sequoia Capital and D1 Capital Partners. The Canada pension Plan Investment Board, Light Street Capital Management, Troy Capital Partners and Evolution VC Partners have engaged in the round. The proceeds will be used to fund an agreement to buy back shares from former or existing employees.

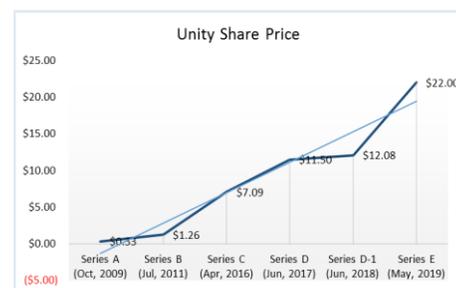
Funding in Round	Funding Amount	Post-Money Valuation	Shares Outstanding	Share Price
Series E (May, 2019)	\$150 M	\$ 6.28 B	285.4 M	\$22.00
Series D-1 (Jun, 2018)	\$145 M	\$3.2 B	265 M	\$12.08
Series D (Jun, 2017)	\$400 M	\$2.6 B	226 M	\$11.50
Series C (Apr, 2016)	\$181 M	\$1.4 B	197.5 M	\$7.09
Series B (Jul, 2011)	\$17.5 M	\$ 167.5 M	133 M	\$1.26
Series A (Oct, 2009)	\$ 5.5 M	\$27.5 M	83.3 M	\$0.33

Investors

- Altimeter Capital
- Canada Pension Plan Investment Board
- D1 Capital Partners
- DFJ Growth
- Light Street Capital
- Sequoia Capital
- Silver Lake Partners
- Thrive Capital

Share Price with Series

Unity has shown a steady growth in terms of its share price with an exponential growth curve in the last 10 years, but an inevitable wide gap in funding between its Series B in 2011 and Series C in 2016.



Market Competitors

Unity competes with both gaming developers as well as graphics enterprises and its valuation should thus account for both its create and operate solutions business lines.

Create Solutions: Primary rivalry is against proprietary computer engines developed in-house by major software developers, such as Epic Games and Improbable, which provide game creation resources for the PC and smartphone computer markets and, in the case of Epic Games, industries outside of gaming. Unity also competes with other development platforms that provide 2D and 3D development products.

Operate Solutions: The competition is more fragmented which is composed of divisions of large, well-established organisations. Examples of these organisations are Amazon, Facebook, Google, Microsoft and Tencent. Most of these companies are also Unity's strategic partners and customers.

Here's a financial profile for comparable gaming enterprises; as reported last in year ending 2019:

Company Name	Total Revenue (in Mn)	Revenue in Growth (%)	Total Funding (in Mn)	Valuation (in Mn)	Employees
Unity Technologies	\$541.80	42.27%	\$699.00	\$10,010	3379
Epic Games	\$4,200.00	-25%	\$3,360.00	\$17,300	2200
Riot Games*	\$1,500.00	7.14%	\$17.25	\$400 (2011)	2500
Krafton Game Union	\$1,500.00	61%	\$656.00	\$5,630.00	500
CCP	\$30.00	-65%	\$69.30	\$425 (2018)	300
Improbable*	\$1.50	103%	\$603.89	\$1,850	500

*not as of 2019

Business and Industry Risk

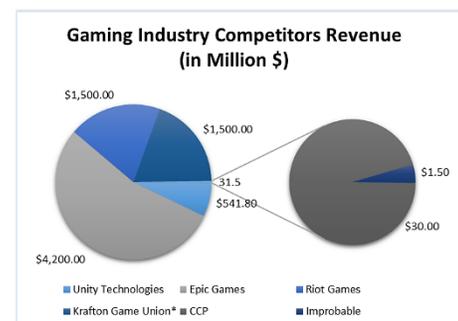
Concentrated Earning: A large amount of sales for Unity are from Operate Solutions. Failure to attract and retain clients of Operate Solutions will have a detrimental effect on company activities.

Dependency on Strategic Partners: The organisation depends on strategic relationships with game console platforms and other service vendors. If the same favourable circumstances are not preserved, the company's financials may be affected.

Technological Constraints: Distractions, performance issues or platform-related vulnerabilities and solutions may negatively affect the company, financial situation and its operational results.

Competitive Pressure: Markets remain competitive whether they are unable to grow into new sectors or if solutions for any new market fail to gain market acceptance, operational performance could be adversely affected, leading to reconsideration of growth strategy.

Competition from successful competitive products, particularly larger rivals with greater capital that have traditionally developed leading offerings with greater brand recognition in these markets.



Global Risks: Unity's global operations pose several risks such as credit risk, currency exchange rate volatility, risk of security breaches resulting in enforcement actions by government officials alleging violation of laws.

Compliance and Due Diligence

Laws and Regulations

Being an “emerging growth” company as defined in the JOBS Act, 2012. Unity is not required to comply with the provisions of Section 404 of the Sarbanes-Oxley Act of 2002. In addition, it faces reduced commitments with respect to financial reports and employee pay.

Unity is also exempted from the obligation of the Public Company Accounting Oversight Board to with respect to disclosing important audit issues in the auditor's report.

Data Protection Laws: As per GDPR and other data protection laws, cookies and similar technologies used for personalizing experience may not be used without the permission of affirmative opt-in. This would increase regulatory enforcement activity, regulatory costs and there'll be always a risk to reduce the need for Unity's products in the Operate Solutions sector.

Taxation

Unity's effective tax rate differs from the U.S. federal statutory tax rate of 21% primarily due to tax implications from different countries globally, losses that cannot be benefited due to the valuation allowance on United States and Denmark entities, and reversal of unrecognized tax benefits due to statute of limitations expiration.

New or updated tax regulations can have an effect on the volume of taxes collected in various countries, such as Pillar One and Pillar Two, which are regarded by the Organisation of Economic Co-Operation and Development to radically alter the long-standing principles of transfer pricing.

The federal net operating losses in tax years beginning after December 2020, is limited to 80% of taxable income. It is unclear to what degree the different States can comply with either the Tax Act or the CARES Act.

Insurance

General Insurance: Unity provides general liability insurance, which may not cover potential claims or other obligations. The result of the litigation (if any) may be very unpredictable and may have an adverse impact on company activities.

A claim brought against Unity - uninsured or underinsured may result in unexpected expenses, possibly detrimental to the financial situation and its activities. Unity's insurance coverage does not cover for damages in the case of an earthquake or other serious natural disasters.

Others: Unity maintains insurance policies indemnify its directors and officers for the numerous risks occurring under the Securities Act and the Exchange Act that may be sustained by any director or officer in his role.

Employee Benefits and Compensation

Unity provides premiums on life, disability, sudden death and dismemberment coverage to all its employees, including appointed executive officers.

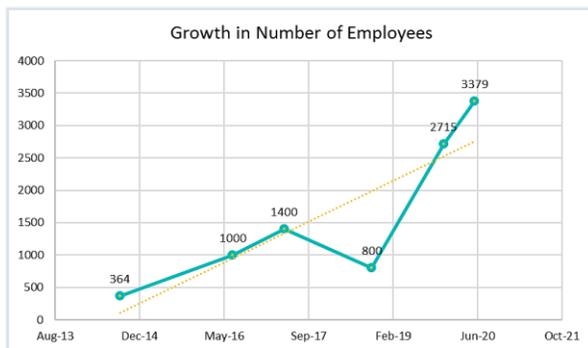
ESPP: ESPP allows members to buy shares of common stock by payroll deductions of up to 15% of their earnings. The purchase price of the shares would be 85% lower than the current market value of the ordinary shares of Unity.

Work Culture and Core Values

A culture that encourages employees to develop and launch new and innovative solutions, which Unity believes is essential to attracting customers and partners and serving the best, long-term interests of the company.

With 3379 employees on board, there are 439 reviews on the Glassdoor website, where Unity gets the rating of 4.5 stars which is higher than the average tech industry benchmark. According to Glassdoor 90% of the employees approve of the CEO and 94% of the employees would recommend working at Unity to a friend as a great place to work. Most employees acknowledging the company for its good work-life balance and superior career growth in the tech industry.

The graph below shows the rise of Unity’s employees since September 2014:



Date	Employees	Growth
Jun-20	3379	24.46%
Dec-19	2715	239.38%
Oct-18	800	-42.86%
May-17	1400	40.00%
Jul-16	1000	174.73%
Sep-14	364	

With the core company values being:

- Users First
- Best Ideas Win
- In It Together
- Go Bold
- Empathy Respect and Opportunity

These values form the foundation of the Diversity and Inclusion programs, which Unity’s committed to develop and expand.

Management

The core team at the San Francisco Office consists of diverse geographical background, with 3 women executives in a team of 8 Executive Officers with the industry veterans having more than 15 years of experience with an established niche in technology and innovation background:

- John Riccitiello serves as Board Member and Chief Executive Officer at Unity.
- Joachim Ante is a Co-Founder and serves as the Chief Technology Officer & Board Member at Unity
- Clive Downie serves as Chief Marketing Officer at Unity.
- Kimberly Jabal serves as Chief Financial Officer and Senior Vice President at Unity.
- Luc Barthelet is VP and GM at Unity. He served as Vice President of Technology and Chief Technology Officer of Electronic Arts.
- Brett Bibby serves as the Chief Product Officer at Unity.
- Ruth Ann Keene serves as the Chief Legal Officer at Unity.



Appendix

Balance Sheet

	As of December 31,		As of June 30,	
	2018	2019	2019	2020
	(in thousands)			
Consolidated Balance Sheet Data				
Cash	\$ 258,731	\$ 129,959	\$ 339,807	\$ 453,258
Working capital(1)	184,890	30,889	235,823	339,901
Total assets	589,301	762,860	810,426	1,289,084
Deferred revenue, current and non-current	65,509	96,576	75,006	107,590
Total debt	—	—	—	124,449
Convertible preferred stock	600,114	686,559	725,032	836,529
Accumulated deficit	(352,000)	(515,190)	(419,062)	(569,277)
Total stockholders' equity	316,127	393,911	496,165	647,415

(1) Working capital is defined as current assets less current liabilities.

Income Statement

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(dollars in thousands, except per share data)			
Consolidated Statements of Operations Data				
Revenue	\$ 380,755	\$ 541,779	\$ 252,765	\$ 351,325
Cost of revenue(1)	81,267	118,597	62,151	72,300
Gross profit	299,488	423,182	190,614	279,025
Operating expenses				
Research and development(1)	204,071	255,928	118,798	166,859
Sales and marketing(1)	134,458	174,135	78,763	86,975
General and administrative(1)	91,260	143,788	53,410	77,473
Total operating expenses	429,789	573,851	250,971	331,307
Loss from operations	(130,301)	(150,669)	(60,357)	(52,282)
Interest expense	—	—	—	(788)
Interest income and other income (expense), net	(2,327)	(2,573)	(686)	1,194
Loss before provision for income taxes	(132,628)	(153,242)	(61,043)	(51,876)
Provision for income taxes	(1,026)	9,948	6,019	2,211
Net loss	\$ (131,602)	\$ (163,190)	\$ (67,062)	\$ (54,087)
Net loss per share, basic and diluted(2)	\$ (1.24)	\$ (2.39)	\$ (0.61)	\$ (0.42)
Weighted-average shares used in computing net loss per share, basic and diluted(2)	105,992	114,442	109,706	128,804
Pro forma net loss per share, basic and diluted (unaudited)(2)		\$ (0.78)		\$ (0.34)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)(2)		213,438		228,210
Non-GAAP and Other Data				
Customers > \$100,000 of revenue(3)	484	600	515	716
Dollar-based net expansion rate(4)	124%	133%	129%	142%
Non-GAAP loss from operations(5)	\$ (105,527)	\$ (94,619)	\$ (40,533)	\$ (22,334)
Free cash flow(5)	\$ (119,078)	\$ (94,971)	\$ (29,561)	\$ (34,694)

Cost of Revenue

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 2,777	\$ 3,198	\$ 1,650	\$ 1,247
Research and development	9,514	13,521	5,861	10,779
Sales and marketing	3,916	6,124	2,681	4,124
General and administrative	4,706	21,637	4,584	5,504
Total stock-based compensation expense	\$20,913	\$44,480	\$14,776	\$ 21,654

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Prospective investors should carefully consider the risk warnings and disclosures for the respective fund or investment vehicle set out therein. The value of an investment may go down as well as up and investors may not get back their money originally invested. Past performance is not necessarily a guide to future performance. An investment in an investment vehicle is not the same as a deposit with a banking institution. Please refer to the respective documentation for details about potential risks, charges, and expenses.

Additionally, investors will typically receive illiquid and/or restricted membership interests that may be subject to holding period requirements and/or liquidity concerns. In the most sensible investment strategy, Alternative Funds should only be part of your overall investment portfolio. Investments in Alternative Investments are highly illiquid and those investors who cannot hold an investment for the long term (at least 10 years) should not invest.

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