

ITEM 1: COVER PAGE



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March 30, 2026

**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Avestar Capital, LLC (“Avestar”) and 3Alpha Asset Management LLC (“3Alpha”), a relying advisor of Avestar. If you have any questions about the contents of this brochure, contact us at 212-706-4140. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Avestar is available on the SEC's website at: www.adviserinfo.sec.gov. The searchable IARD/CRD number for Avestar is 287525.

Avestar is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

ITEM 2: SUMMARY OF MATERIAL CHANGES

Form ADV Part 2 requires registered investment advisers, including Avestar Capital (“Avestar”, the “Firm”, “we”, “our” or “us”) to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual ADV update we have made the following material changes to our Form ADV:

- We have disclosed a new advisory affiliate in Item #10 of this brochure

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ITEM 4: ADVISORY BUSINESS

DESCRIPTION OF FIRM AVESTAR CAPITAL

Avestar is a federally registered investment adviser based in New York, NY. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We are wholly owned by Atash Holdings, LLC, a Delaware limited liability company. Shilpa Konduri Mullan is the majority owner of Atash Holdings.

3Alpha is a registered investment advisor under an "umbrella registration" with Avestar Capital and incorporated in the state of Delaware. The Firm's primary business of providing investment advice to privately offered, pooled funds (the "Fund" or collectively, the "Funds") or special purpose vehicles ("SPV", together with the Funds "Clients"). The Firm may offer other investment related products and services in the future.

As used in this brochure, the words "we," "our," and "us" refer to Avestar Capital, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Certain clients of our Firm are also investors in our parent company, Atash Holdings, and are also board members of Atash Holdings. This creates a conflict of interest that, in certain instances, could result in such clients attempting to unduly influence our management decisions, including decisions related to reduced fee structures and allocation of limited investment opportunities. We address this conflict by maintaining and conducting a conflict review process, which is administered by our Compliance Committee on a quarterly basis. Generally, our Board is not involved in the day-to-day activities of Avestar, but rather with the strategic direction and growth of the firm. Our board does not set our advisory fees, nor do its members have access to our client accounts.

ASSETS UNDER MANAGEMENT

As of December 31, 2025, Avestar managed \$2,059,705,360 in discretionary assets and \$7,037,427 in non-discretionary assets.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

PORTFOLIO MANAGEMENT SERVICES

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet your financial needs and investment objectives.

We may invest your assets according to one or more model portfolios or strategies. These models and strategies are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. You may impose restrictions on investing in certain securities or types of securities in your account. In such cases, however, this may prevent you from investing in certain models.

You have the option of imposing reasonable investment restrictions on certain securities, industries or sectors by providing us with written instructions when you open a new advisory account or at any time thereafter. Restrictions or other options you choose can be rescinded at any time by notifying us in writing.

AVESTAR INTERNALLY MANAGED STRATEGIES

Avestar's Internally Managed Strategies are our in-house proprietary investment strategies that do not employ the use of a sub-adviser or third-party money manager. All strategies are managed by our Investment Committee, which is chaired by our Chief Investment Officer.

Avestar Global Equity ETF: Avestar Global Equity is our proprietary all-world equity model. It is currently comprised of approximately 66% US All-Cap and 34% International Developed and Emerging. The portfolio is meant to provide diversified exposure with both passive and active management. Our team has paired active managers with passive ETFs to minimize costs but take advantage of informationally inefficient markets to outperform over the long term.

Avestar Tactical Risk Allocator: This is a strategy that invests in asset classes that seek to outperform the overall markets. It is also a risk mitigation strategy that is the first place to raise cash in volatile markets to protect clients' capital on the downside. The strategy is intended to have high turnover and play on momentum in upward markets while raising cash or investing in noncorrelated assets in downward trending markets. The strategy is largely unconstrained by asset class, regional exposure, and use of leverage.

Avestar Investing Capital: This strategy is a cash substitute intended to earn a little more yield than traditional cash-based interest using a mix of ultra-short duration fixed income ETFs.

Avestar Supervised Equity: This strategy invests in single stock positions using fundamental analysis that tries to outperform after tax.

Avestar Short Duration Fixed Income ETF: This strategy invests in short duration fixed income ETFs that have a duration less than a year.

Avestar Taxable Fixed Income ETF: This strategy invests across the credit universe and intends to earn clients yield and income. It mixes active and passive management securities to seek out opportunities and manage risks.

Avestar US Equity ETF: This strategy invests in a mix of 8-12 active and passive ETF's that give the client a broad range of US equity investments. The strategy takes opportunistic tilts and tax loss harvests when applicable.

Avestar US Sector ETF: This strategy breaks up the S&P 500 into its 11 GIC Sectors and actively tax loss harvests when applicable.

Avestar Multi-Asset ETF: This strategy is designed to give clients access to 70% Global Equities, 20% Fixed Income, and 10% Alternatives via ETFs.

3ALPHA STRATEGIES (a relying adviser of Avestar Capital, LLC)

3Alpha is the marketing name for Avestar's subset of third-party, independent, professionally managed portfolios. 3Alpha portfolio strategies leverage the advice and expertise of independent third-party money managers, provided to Avestar in the form of model portfolios. Avestar may retain other outsourced Model Providers in the future and terminate any relationship with Model Providers if the Investment team determines such Model Providers are not meeting the standards or performance, or for any other reason. Avestar's Investment Committee reviews and assesses the model portfolios before implementation as well as on a regular

and ongoing basis. Certain of these portfolios are exclusively comprised of no-load mutual funds or ETFs, while some are a combination of no-load mutual funds and ETFs. We pay Model Providers for the licensing of their models.

Model Providers' recommended portfolios may include underlying registered investment companies advised by such Model Providers and/or their affiliates (the "affiliated products"). In certain cases, Model Providers have an incentive to allocate investments to such affiliated products to increase scale of a product and/or generate additional fees for the Model Providers and/or their affiliates. Avestar's Investment Committee monitors each model on an initial and ongoing basis.

Additionally, clients whose assets are invested in 3Alpha model portfolios may not be able to, in certain circumstances, set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. However, clients may exclude certain assets from management in our model portfolios. For assets held outside the model portfolios, you may limit our discretionary authority, or you may request specific transactions by providing our firm with your restrictions, guidelines, or instructions.

Custom Global Equity ETF: This is a core portfolio solution that provides diversified exposures to global equities through ETFs. The strategy has most of its assets weighted to the US and seeks to achieve higher risk-adjusted returns via assets allocation and underlying ETF selection. It is a cost-effective solution that leverages a combination of passive, active, and factor strategies with access to best-in-class multi-manager framework.

Custom US Equity Factor Rotation ETF: This is a core portfolio solution that provides exposure to US equity markets through ETFs. This is a factor rotation model designed to offer a cost-effective, dynamic core US equity portfolio. Factors included in the model may provide favorable risk-adjusted returns over long periods, above the returns of the market. The model is diversified across many factors that can potentially generate portfolio returns in any market environment.

Custom Global Enhanced Income ETF: This strategy provides exposure to a diversified allocation of stocks, bonds, and alternatives using ETFs. It seeks to maximize potential for capital growth and income for investors by using dividend-focused equity ETFs, yield focused fixed income ETFs, and income generating alternative ETFs. The strategy seeks to add value through both asset allocation and ETF selection. The model is strategic in nature and reflects tactical tilts based on market conditions.

Custom Liquid Alternatives ETF: This strategy is designed as an alternative investment sleeve that exhibits lower correlation to traditional equity and fixed income securities. This portfolio's objective is to complement a more traditional equity and fixed income portfolio, while seeking to increase the number of potential return drivers and improve the overall portfolio risk/return characteristics.

Custom Fixed Income Managed Model: A professionally managed custom bond portfolio tailored to each client's tax and income needs.

Custom Enhanced Fixed Income ETF Strategy: This strategy is designed to offer a diversified bond allocation through ETFs, aiming to balance income generation with capital preservation. The strategy primarily utilizes passive fixed income ETFs, complemented by select actively managed ones to try and outperform the fixed income benchmark.

Custom Options Strategy. We utilize individual stock options and/or index options to create protective hedges for your portfolio. Strategies are dependent on investment objectives, risk profile, and time horizon.

THIRD-PARTY PRIVATE FUNDS

Through our relationship with Crystal Capital Partners, LLC (“Crystal”) we are able to offer our qualified clients customized private equity and hedge fund portfolios. Crystal specializes in building customized portfolios that help complement the existing holdings of client investments. With Crystal’s services, we have access to what we believe are top tier private equity and hedge fund managers, detailed analytics, reporting and comprehensive due diligence previously only available to the largest institutions. Most customized accounts will be invested with investment managers or investment funds through a series fund organized by Crystal. The investment managers and investment funds that we recommend will be selected from a list that has been developed by Crystal, based on its quantitative and qualitative research of the managers and funds. After a client approves the customized portfolio that we recommend, the client will invest in a series or portfolio of a fund that is managed by Crystal (“Crystal Fund”). The Crystal Fund is a private investment fund that has several segregated portfolios. Each portfolio is a separate pool of assets constituting a separate fund with its own investment objectives and policies. The Crystal Fund is sold by private placement memorandums and/or subscription agreements (collectively, the “Offering Documents”) only. Please see the fund’s Offering Document for a complete list of fees, expenses, strategies, risks and other pertinent information regarding the Crystal Fund.

FINANCIAL CONSULTING SERVICES

We offer financial consulting services that primarily involve advice related to specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, cash flow management, financial administration, or financial decision making/negotiation.

DUE DILIGENCE SERVICES

We provide due diligence and research services for clients that may be interested in private funds including hedge funds, private equity, venture capital, and real estate. We outsource our due diligence services to Atrato Advisers, Highmore or other independent third-party due diligence vendors as deemed appropriate.

MODEL PORTFOLIOS

Avestar utilizes certain independent third-party models to implement some or all of its Client portfolios. Model portfolios are standardized investment strategies that allocate assets across various asset classes (e.g., equities, fixed income, alternatives) and individual securities or funds. These portfolios are designed to achieve specific investment objectives, such as growth, income, or capital preservation, and are based on the Firm's research, analysis, and market outlook.

How Model Portfolios Are Used

Customization: While model portfolios are standardized, they may be tailored to align with a client's specific investment goals, risk tolerance, time horizon, and other unique circumstances. However, the degree of customization may vary depending on the client's account type and Avestar’s policies.

Implementation: Avestar may implement model portfolios directly in client accounts. In some cases, Avestar may use third-party managers or funds to execute the model portfolio strategy.

Monitoring and Rebalancing: The Firm regularly monitors and rebalances model portfolios to maintain alignment

with the intended investment strategy and to respond to changing market conditions. Clients will be subject to the Firm's rebalancing practices, which may result in transaction costs and tax consequences.

SELECTION OF OTHER ADVISERS

We may, where appropriate, allocate all or a portion of your account to be managed by a third party money manager ("Sub-advisor"). Avestar will enter into a sub-advisory agreement with such Sub-advisors, and you will pay a fee to Avestar based on the schedule in Item #5 and an additional fee to the Sub-advisor. The fees and expenses you pay to the Sub-advisor(s) will be disclosed in the Sub-advisor's Form ADV Part 2A, a copy of which you will receive prior to entering into an advisory agreement with us. You will receive and should review the Sub-advisor's ADV Part 2A for additional information on the fees and expenses you will be charged for this strategy.

PROPRIETARY PRIVATE INVESTMENT FUNDS/ SPECIAL PURPOSE VEHICLES ("SPV")

Avestar serves as the investment manager of certain Proprietary Funds and SPVs and its related persons serve as the general partners to such Proprietary Funds or SPVs and may be invested in the Proprietary Funds and SPVs. This presents a conflict of interest because Avestar has an incentive to recommend investing in a Proprietary Fund or SPV over other investments when such Proprietary Fund's or SPV's fees are greater than those for other types of accounts. These conflicts are actively managed and considered as part of every portfolio management decision involving Avestar's investment personnel. The Proprietary Funds and SPVs do not charge a performance fee, which mitigates the conflict of interest when we recommend one or more of our Proprietary Funds or SPVs.

Clients to whom a Proprietary Fund or SPV is recommended will receive a private placement memorandum and other Offering Documents. Clients should refer to the Offering Documents for a complete description of the fees, expenses, investment objectives, risks and other relevant information associated with investing in such Proprietary Fund or SPV.

Shilpa Konduri Mullan, an associated person of Avestar, serves as a Director and has a controlling interest for the Avestar Structured Note SPV GP, the 3 Alpha WPGG 14 SPV GP, LLC, 3Alpha Series Funds, 3 Alpha India Multi Manager Equity Fund SPV GP, the general partners of the Proprietary Funds. With respect to the SPVs, Avestar has no affiliation with the underlying managers of the Proprietary Funds and none of the underlying managers or their affiliates are invested in the Proprietary Funds.

Her duties as a Director and her indirect control or ownership of the general partners of certain of the Proprietary Funds does not create a material conflict of interest with her other advisory services provided through Avestar because she is not involved in the investment decision making process.

FAMILY OFFICE SERVICES ("FOS")

We offer family office services whereby we assist you in a non-advisory capacity with auxiliary wealth management solutions, financial planning coordination, philanthropy consulting, balance sheet reporting, performance reporting, due diligence services and other services you may request from us. Family office services are strictly clerical and administrative in nature and do not include investment advice or ongoing supervisory management of any account. You will sign a separate FOS agreement to engage in these services. Fees for FOS services vary based on the size and complexity of the relationship and are negotiable

MODEL PORTFOLIO SUB-ADVISOR PROGRAM

Avestar offers a Model Portfolio Sub-Advisor Program with a non-US investment advisor that offers a sub-advisory program to non-US clients. The Model Portfolio Sub-Advisor Program includes investment research, recommendations, model portfolio advice and other related investment research services. Avestar will not exercise any investment trading discretion or act as a fiduciary over any client account in our Model Portfolio Sub-Advisor Program.

DEMAND DEPOSIT MARKETPLACESM PROGRAM

Avestar Capital makes available to clients the FICA For Advisors cash management program (“FICA Program”) offered by StoneCastle Network, LLC (“StoneCastle”), an affiliate of StoneCastle Cash Management, LLC. The FICA Program allows customers the ability to protect their money by placing it in deposit accounts at banks, savings institutions and credit unions (collectively, “Insured Depositories”) in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Administration (“NCUA”), whichever is applicable. Funds will be deposited within StoneCastle’s network of Insured Depositories (“Deposit Network”). Avestar Capital may earn a fee from StoneCastle if clients participate in this program. (Insert advisor name) will assist clients in signing up for this program and facilitating the transfer of funds between the client’s like-named accounts.

A recommendation by us that you participate in the DDM Program presents a conflict of interest, as the receipt of related compensation provides an incentive to recommend the product based on such compensation, rather than on a particular client’s need. You are not under any obligation to purchase any products or services recommended by us or our representatives. You are reminded that they may purchase or select other potentially similar products or services recommended by us through parties from which we do not stand to receive any additional benefit or compensation.

AVATAR GROWTH CAPITAL FUND 1, LIMITED

Through a relationship with Aqua Platform, Inc. (“Aqua”) we can provide our qualified clients with access to private equity opportunities. Aqua specializes in building software that decreases the friction in accessing alternative investments by handling all of the middle and back office workflows associated with a fund investment.

With Aqua’s services, we have access to what we believe are top tier private equity managers, detailed analytics, reporting and comprehensive due diligence with little incremental operational burden. After a client approves an investment opportunity that we recommend, the client invests in an SPV that is formed and managed by Aqua.

The Fund Management Fee paid to Aqua is 0% - 0.40%, depending on price concessions on bespoke opportunities. The Fund Management Fee is charged on the committed capital and does not fluctuate with changes in NAV. For opportunities with committed capital under \$10,000,000, there is also a \$10,000 one-time fee for creating the SPV.

PRIVATE PLACEMENT LIFE INSURANCE

Avestar utilizes sophisticated financial strategies such as Private Placement Life Insurance (PPLI) to meet the

needs of ultra-high-net-worth clients and their families. PPLI combines permanent life insurance with institutional-quality wealth management through segregated account structures administered by qualified third-party service providers. Within the policy's cash value, investment gains compound tax-deferred, potentially enhancing long-term returns. Policyholders may access a portion of the cash value through tax-free loans, subject to policy performance and insurance company guidelines.

We allocate the cash value through either Insurance Dedicated Funds (IDFs) or Separate Managed Accounts (SMAs) to diversified portfolios including hedge funds, private credit and equity, real estate, and public assets. These structures must comply with Internal Revenue Code Section 817(h) diversification requirements and investor control doctrine provisions. Investment decisions are made at Avestar's sole discretion without policyholder input to maintain tax compliance.

Upon the insured's passing, beneficiaries generally receive proceeds free of income tax and capital gains tax. Estate tax treatment depends on policy ownership structure and requires careful planning. PPLI involves significant liquidity constraints, complex fee structures, and regulatory requirements. These strategies are appropriate only for accredited investors and qualified purchasers with substantial investable assets, long-term outlook, and tolerance for market, liquidity, and operational risks.

PRIVATE PLACEMENT VARIABLE ANNUITIES

Avestar deploys sophisticated strategies such as Private Placement Variable Annuities (PPVA) to serve ultra-high-net-worth clients and their families. PPVAs combine tax-efficient insurance structures with institutional-caliber wealth management through segregated account arrangements administered by qualified third-party service providers.

Within the annuity's cash value, investment gains grow tax-deferred through either Insurance Dedicated Funds (IDFs) or Separate Managed Accounts (SMAs), allowing returns—especially from ordinary income-generating assets—to compound more efficiently over time. These structures must adhere to Section 817(h) diversification requirements and investor control doctrine provisions, with investment decisions made solely by Avestar.

We allocate the annuity's cash value across diversified portfolios including hedge funds, private credit, real estate, and other strategies that benefit from tax deferral. Upon distribution, gains are taxed as ordinary income. PPVAs involve substantial liquidity restrictions, complex fee structures, and ongoing regulatory compliance requirements. As a result, PPVAs are appropriate only for accredited investors and qualified purchasers with significant investable assets, long-term investment horizons, and tolerance for liquidity, market, and operational risks.

Private Placement Insurance is associated with complex features, fees, and risks that should be carefully considered. Investors are advised to work closely with their financial advisor, tax and legal professionals to understand these products fully. Before investing in PPLI or PPVA, investors should review the Investment Policy Statement, or other offering documents, understand the fees, expenses, and risks, and assess suitability for their financial goals and risk tolerance.

TYPES OF INVESTMENTS

We offer advice related to equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, life insurance, private placement life insurance, mutual fund shares, United States government securities, options contracts on securities, money market funds, real estate, REITs, derivatives, structured notes, ETFs, interests in partnerships investing in real estate, or privately offered pooled funds (including hedge funds

and private equity funds to accredited or qualified investors only).

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

ITEM 5 FEES AND COMPENSATION

Advisory Fees (For accounts opened after March 1, 2024)

AVESTAR ADVISORY BASE FEES: The fees below are applicable to Avestar Internally Managed Strategies, as well as the base fee for 3Alpha strategies. *

Assets Under Management	Fee
Up to \$1 million	1.5%
\$1 million to \$5 million	1.25%
\$5 million to \$10 million	1%
\$10 million to \$15 million	.75%
\$15 million to \$25 million	.65%
\$25 million and above	.55%

3ALPHA STRATEGIES FEES: The fees for 3Alpha custom strategies are in addition to the Avestar Base Advisory Fee.

Fees for 3Alpha strategies (as discussed in **Item #4**), range from 10 basis points to 100 basis points, depending on the complexity of the strategy and leverage used.

*** Avestar Base Advisory Fees for Avestar Internally Managed and 3Alpha strategies do not include an additional 2 basis point Technology Fee as described below. The Base Advisory Fee does not include fees and expenses charged by the Custodian. Please see the "Additional Fees and Expenses" section below.**

Advisory Fee Calculation & Deduction

Advisory fees are charged quarterly in advance. The Advisory Fee is calculated on the value of your account on end of period snapshot. It takes the value of the billing level as of the last day of the given period. The Advisory Fee is negotiable, depending on individual Client AUM and circumstances.

We can combine the account values of family members living in the same household to determine the applicable Advisory Fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced Advisory Fee.

In very limited circumstances and depending on the size and scope of the relationship, we may charge a flat fee for advisory services instead of a percentage of assets under management. This fee will be disclosed in your IAA. We will deduct the Advisory Fee directly from your account through the qualified custodian holding your funds and securities.

We will deduct the Advisory Fee only when you have given us written authorization permitting the fees to be paid directly from your account. For discretionary accounts, in the event that there is not sufficient cash in the Account to pay the Advisory Fee, the Adviser is authorized to sell assets to pay the Advisory Fee. The qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all contributions and disbursements from your account. You should review all statements for accuracy.

You may terminate the IAA upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the IAA, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will promptly receive a prorated refund of those fees.

In addition to or combined with the Advisory Fees outlined above, Avestar charges a .02 % (2 bps) Technology Fee, which covers the costs that our portfolio accounting system charges to maintain your account and run performance reports.

SELECTION OF OTHER ADVISERS

We offer discretionary investment advisory services through one or more third-party Sub-Advisors (“Sub-Advisor”). If you engage us for investment advisory services, we require an executed Investment Advisory Agreement (“IAA”). The IAA outlines the services and fees you will incur for our services. Upon execution of the IAA, we will work closely with you to identify your specific needs and objectives and the suitability of the strategies offered by the Sub-Advisor.

As part of our discretionary authority, we retain the ability to hire and fire any Sub-Advisor as necessary to best service your account(s). We review several factors when determining which Sub-Advisor is most suitable for you.

The fees and expenses associated with the third party Sub-Advisors are disclosed in each respective Sub-Advisors Form ADV Part 2A, a copy of which you will receive upon your engagement with us.

FAMILY OFFICE SERVICES (“FOS”)

We charge a flat rate for family office services, which is negotiable depending on the scope of services. Generally, our minimum fee for such service starts at \$2500 and varies depending on the complexity of your engagement with us and we may charge additional fees at year end as a true up based on our IAA. An estimate of the total cost will be determined at the start of the relationship. In addition, we may charge out of pocket expenses for any third-party service providers we may engage to assist in execution of the services we provide to you. You may terminate the family office services agreement upon 90 days written notice to us. Family office services are non-advisory. We do not provide investment advice or ongoing supervisory management of your accounts that are under an FOS agreement. However, if you have executed an IAA in conjunction with an FOS agreement, accounts subject to the IAA will be managed in accordance with the terms of the IAA.

DUE DILIGENCE SERVICES

Fees for Due Diligence Services range from \$2500 to \$15,000 depending on the scope and complexity of the products requiring due diligence. We may outsource our due diligence services to a third-party or conduct it internally depending on the scope and complexity of the product.

MODEL PORTFOLIOS

In cases where Avestar utilizes a third party model to implement a client portfolio, fees are typically 50 basis points. Clients do not pay a separate fee to the model provider, however Avestar pays such model providers a portion of the fee for the use of the model.

CRYSTAL PRIVATE FUNDS

The Management Fee paid to Crystal Capital Partners is 1-1.50%, depending on price breakpoints referenced in the subscription documents for the Funds. The Fund Management Fee may be impacted by either redemptions or changes to the NAV of the portfolio. Management Fee reductions are applied at a blended rate to the entirety of each portfolio so that all investors within the portfolio are treated equally. Avestar does not charge a separate fee for investments in the Crystal funds, however, Avestar is compensated at .50% of NAV per the Subscription Agreement. This strategy is sold by offering documents and subscription agreements to accredited investors only. Please refer to such documents for a complete list of fees and expenses associated with investments in the Funds.

PRIVATE INVESTMENT FUNDS

Avestar's internally managed private funds pay Avestar an investment management fee ranging from 0% to 1.5% per annum. The investment management fees for the Funds are calculated and paid quarterly in advance based on the value of each Investor's account at the beginning of each fiscal quarter. The investment management fees are prorated for periods less than a full quarter. Investment management fees are deducted from each Fund monthly or quarterly by instructing the administrator to the Funds to deduct the applicable fee. Details regarding the applicable terms and fees for each Fund are described in each Fund's organizational and offering documents.

In addition to paying or allocating investment management fees to Avestar or its affiliates, Funds may also be subject to other expenses such as legal, accounting (including outsourced accounting), auditing and other professional expenses, administrator fees and expenses, directors' fees and expenses (if applicable), organizational expenses, news, quotation and computer equipment expenses, technical and telecommunications equipment expenses and services (including repairs, replacements, updates and improvements thereon), investment expenses such as commissions, research expenses (including research-related travel), due diligence expenses, interest on margin accounts and in respect to monies borrowed, credit facility fees, custodial fees, extraordinary expenses (such as litigation and indemnification of Avestar and its affiliates) and other reasonable expenses related to the purchase, sale or transmittal of assets. Notwithstanding the foregoing, Avestar may elect to pay some of the expenses which are otherwise to be borne by the Funds. Some of the Funds are invested in pooled investment vehicles. Such investment vehicles or accounts typically charge an investment management fee and performance-based compensation, and in addition, such Funds will bear their pro rata share of the underlying fund's operating and other expenses including, but not limited to, sales expenses, legal expenses, internal and external accounting, administration, audit and tax preparation expenses, and organizational expenses.

AVATAR GROWTH CAPITAL FUND 1, LIMITED

The Fund Management Fee paid to Aqua is 0% - 0.40%, depending on price concessions on bespoke opportunities. The Fund Management Fee is charged on the committed capital and does not fluctuate with changes in NAV. For opportunities with committed capital under \$10,000,000, there is also a \$10,000 onetime fee for creating the SPV. The Avatar fund is sold by offering document only to accredited investors. Please refer to the Fund's offering documents for a complete list of the fees and expenses associated with the Fund.

ADDITIONAL FEES AND EXPENSES

As part of the investment advisory services offered to you, certain models will recommend investments in mutual funds and exchange traded funds. Such funds are typically no-load funds but may charge a redemption fee if you were to sell shares of the fund before a period of time outlined in the fund's prospectus. To fully understand the

total cost you will incur, you should refer to each fund's prospectus for a complete list of fees charged by mutual funds and exchange traded funds.

If requested and determined suitable, we may trade your account on margin. You must sign a separate margin agreement before margin is extended to your account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may be shown on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Privately offered funds are subject to additional fees and expenses. Please refer to the respective Offering Documents of each fund for a complete picture of the fees and expenses you will pay for investing in a privately offered fund.

Avestar may recommend that Clients purchase life insurance through an unaffiliated insurance broker(s). In those cases, Avestar will be paid a commission that is split between the insurance broker and Avestar's financial advisor. These commissions are separate and distinct from advisory fees they earn on your advisory accounts and present a conflict of interest because we receive monetary benefits for recommending life insurance products to you. In most cases, investments or insurance products that paid a commission to Avestar, which is shared with the financial advisor, are not included in your advisory assets when we calculate your advisory fees. In other words, neither the Financial Advisor nor Avestar earn both advisory fees and commissions on the same investment or insurance product. You and your Financial Advisor will decide this together, and we only make such recommendations that we believe are in your best interests. Please note that the Base Advisory Fee you pay to Avestar does not include certain other costs and expenses associated with your investment account(s). These fees include custody, clearing, and transaction costs for certain transactions. Please refer to the custodian's fee schedule for a complete representation of fees and expenses that are not included in our Base Advisory Fee.

IRA ROLLOVER CONSIDERATIONS

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your retirement plan or your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the IAA. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that charge performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

ITEM 7: TYPES OF CLIENTS

We offer investment advisory services to private investment funds, high net worth families, accredited and qualified investors, charitable organizations, foundations, and corporations or other businesses entities.

As of January 1, 2025, Avestar typically requires a minimum household size of \$1,000,000 and account minimum within the household of \$250,000. Minimum account sizes may be negotiable.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Model Portfolios:

Model portfolios are generalized strategies designed to reflect certain investment goals and risk profiles. They do not consider an individual client's specific circumstances, such as tax considerations, liquidity needs, or other unique financial situations. Clients may receive recommendations that do not perfectly align with their personal financial needs.

Risk: Investing in model portfolios involves risks, including but not limited to:

- **Market Risk:** The value of investments may decline due to market fluctuations.
- **Performance Risk:** Past performance of a model portfolio is not indicative of future results.
- **Rebalancing Risk:** Periodic rebalancing may result in unintended tax consequences or increased transaction costs.
- **Deviation from Model Allocations:** Client accounts may experience performance variations from the model due to timing, trading costs, or account restrictions.

Charting Analysis: Involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data are used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis: Involves studying past price patterns, trends and interrelationships in the financial markets and predicts the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis: Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis: A type of technical analysis that involves evaluating recurring price patterns and trends.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory: A theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk or minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus may not be eliminated by diversification.

Long-Term Purchases: Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases: Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term, which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short Sales: Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations regarding short selling.

Risk: Short selling is very risky. Investors should exercise caution before short selling is implemented. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling because the stock price cannot fall below zero.

A short seller has to undertake to pay the margin interest on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares dividends the short seller will have to pay that amount to the lender. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call

when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.

Margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period.

Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have “hard-to-borrow” fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance and may be substantial.

Margin Transactions: a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires

Risks: Selling options is more complicated and can be even riskier. The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the

call options sold and continues to risk a loss due to a decline in the underlying stock.

- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sell even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected
- Internationally traded options have special risks due to timing across borders.

Options are complex investments and can be very risky if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. You should read the option disclosure document, "Characteristics and Risks of Standardized Options," which can be obtained from any exchange on which options are traded, by calling 1-888-OPTIONS, or by contacting us directly.

Trading: We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). We may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities when we allocate your assets among various classes of securities or third-party money managers. We may rely on investment model portfolios

and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations: Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investment of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to us immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss: Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities: We recommend various types of securities, and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some, or all, of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since the principal amount is insured by the federal government up to a certain amount.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk

can also vary widely based on the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Interest rate risk: Interest Rate Risk applies to debt investments such as bonds. It is the risk of losing money because of a change in the interest rate. For example, if the interest rate goes up, the market value of bonds will drop.

Currency risk: Currency risk applies when you own foreign investments. It is the risk of losing money because of a movement in the exchange rate. For example, if the U.S. dollar becomes less valuable relative to the Canadian dollar, your U.S. stocks will be worth less in Canadian dollars.

Credit risk: The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. You can evaluate credit risk by looking at the credit rating of the bond.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). Stock prices can be affected by many other factors including but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment pools that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small capitalized or speculative companies, or uses leverage (i.e., borrows money) to a significant degree. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. While some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, if its investment objective is to track one, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield a similar performance.

Commercial Paper: Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is less risk in asset based commercial paper ("ABCP"). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). Some REITs must refinance or erase large balloon debts periodically. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner may not invest any capital but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Derivatives: Derivatives are types of investments where the investor does not own the underlying asset, but he makes a bet on the direction of the price movement of the underlying asset via an agreement with another party. There are many different types of derivative instruments, including options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors frequently use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. The key to making a sound investment is to fully understand the risks associated with the derivative, including, but not limited to counterparty, underlying asset, price, and expiration risks. The use of a derivative only makes sense if the investor is fully aware of the risks and understands the impact of the investment within a portfolio strategy. Due to the variety of available derivatives and the range of potential risks, a detailed explanation of derivatives is beyond the scope of this disclosure.

Structured Products: A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and other events that are difficult to predict.

Private Investment Funds: Avestar provides discretionary investment advisory services to private investment funds

(individually, a "Fund" and collectively as the "Funds"). Avestar acts as the investment manager for each Fund. The detailed terms, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents. Details of the guidelines, parameters and restrictions on investments relating to the Fund clients may be found in the Fund's applicable Fund's Private Placement Memorandum.

Geopolitical Conflicts and Risks. As economies and financial markets worldwide become increasingly interconnected, the likelihood increases that geopolitical conflicts in one country or region will adversely impact markets or companies in other countries or regions, including in ways that are difficult to predict or foresee. The impacts of these conflicts or events can be exacerbated by failures of governments and societies to respond adequately to a geopolitical conflict and subsequent emerging events or threats. For example, local or regional armed conflicts have led to significant sanctions by the U.S., EU and other countries against certain countries and persons and companies connected with certain countries. Such armed conflicts and sanctions and other local or regional developments can exacerbate global supply and pricing issues, particularly those related to oil and gas, and result in other adverse developments and circumstances, as well as increased general uncertainty, for markets, economies, businesses, and societies both globally and in specific jurisdictions. Although these types of conflicts have occurred and could also occur in the future, it is difficult to predict when similar conflicts affecting the U.S. or global financial markets and economies will occur, the effects of such events or conditions, potential retaliations in response to sanctions or similar actions, and the duration or ultimate impact of those conflicts. Any such conflicts could have a significant adverse impact on the operations, risk profile, and value of securities with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions. Military actions in Ukraine, Gaza, Venezuela, and Iran have geopolitical uncertainty, including the risk of further conflict, civil unrest, sanctions changes, and disruption to regional energy and capital markets, may increase volatility in global financial markets and adversely affect economic conditions relevant toa strategies' investments.

PRIVATE FUND RISKS

Risk of Loss; Risk of Ruin

An investment in the Fund involves a high degree of risk, including the risk of substantial or even total losses. There can be no assurance that the Fund will achieve its objectives or avoid substantial losses. Investment results may vary substantially over time. "Alternative investment strategies," such as those implemented for the Fund, are subject to a "risk of ruin" — sudden and material losses — of which no indication is given in their past performance.

No Performance History; Past Performance is Not Indicative of Future Results

The General Partner and the Fund are newly formed and have no operating or performance histories. The past performance of other funds or accounts managed by the Investment Manager and its Affiliates are not indicative of the Fund's future results. The performance of such funds and accounts should be considered only as an indication of general experience of the Investment Manager and its Affiliates, and should not be relied upon as any indication of the prospects of the Fund.

Counterparty and Custody Risk

When the Fund invests in financial instruments — and in particular, options, swaps, derivative or synthetic instruments, forward contracts, or other over-the-counter transactions — the Fund takes a credit risk with regard to the counterparties with whom they trade and also bears the risk of settlement default. The financial institutions and counterparties, including banks, brokerage firms and companies with which the Fund will trade or invest, may encounter financial difficulties and default on their respective obligations to the Fund. Any such default could result in material losses to the Fund.

The Fund and/or a Portfolio Fund typically will not control the custodianship of its holdings and the banks selected to act as custodians may become insolvent, causing the Fund and/or a Portfolio Fund to lose all or a portion of its assets held by those parties. Recent events, including major bank failures such as Silicon Valley Bank, Signature Bank and First Republic Bank in the spring of 2023, and Lehman Brothers in September 2008, have demonstrated the extent to which investors, especially investors trading with leverage, are exposed to custodian and counterparty risk. The failure of one bank may also lead to regional, sectoral or systemic failures in the broader banking system.

Disease Outbreaks Risks

Disease outbreaks that affect local economies or the global economy may materially and adversely impact the Fund and its investments. For example, uncertainties regarding the novel Coronavirus (COVID-19) outbreak resulted in serious economic disruptions, and these disruptions led to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. Any such government actions may have an adverse effect on the Fund.

In the event of a pandemic or an outbreak, there can be no assurance that the Investment Manager and the Fund's service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of certain personnel or the members of the Advisory Committee on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreak are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

Force Majeure Provisions

Certain counterparties may rely on force majeure provisions in contracts during crises to halt payments or services otherwise required by the contracts, as seen in the COVID-19 pandemic. Similarly, various types of insurance have not been paid to those insured in reliance on carveouts for pandemics and other force majeure events. Investment, operational and insurance counterparties of the Investment Manager or the Fund may similarly, and unexpectedly, discontinue or diminish payments or services otherwise owed to the Investment Manager or the Fund during a pandemic or other crises. This could have material adverse impacts on the Investment Manager or the Fund and their investment activities and operations.

Political and Military Uncertainty

Some of the results of recent elections and referenda in the United States, the United Kingdom, Italy, and other developed market countries have been unexpected and resulted in material market changes and increases in market uncertainty. Given expected changes in administrations or applicable law following these votes, the future of current regulations, or the adoption of new regulations, is also uncertain. These uncertainties may have adverse impacts on the Fund.

In late February 2022, Russia launched a large-scale military attack on Ukraine. In response to the military action by Russia, various countries, including the U.S., the UK, and EU issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the U.S. and global economy. The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant impact on the Fund's performance and the value of an investment in the Fund.

U.S. Presidential Election

The impact of past and future U.S. presidential and other elections could create significant uncertainty with respect

to legal, tax and regulatory regimes in which the Fund, as well as 3 Alpha, will operate. In particular, in January 2025, Donald J. Trump became President of the U.S. and the Republican Party came into control of the U.S. Congress. The full scope of the government's executive, legislative and regulatory agenda is not yet fully known, though changes in U.S. policy resulting from the new administration could result in a number of changes to U.S. and non-U.S. economic, national security, fiscal, tax and other policies, as well as the global financial markets generally. Any significant changes in, among other things, economic policy (including with respect to interest rates, foreign trade and regulatory changes leading to greater availability of bank debt), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Fund and any Investment Series.

Trade Policy

The Trump administration recently enacted and proposed to enact significant new tariff on imports from certain countries. Additionally, President Trump has directed various federal agencies to further evaluate key aspects of U.S. trade policy and there has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. There continues to exist significant uncertainty about the future relationship between the U.S. and other countries with respect to such trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the

U.S. Any of these factors could depress economic activity and restrict a portfolio company's access to suppliers or customers and have a material adverse effect on its business, financial condition or operations, which in turn could negatively impact the Fund and any Investment Series.

Some foreign governments have, in the past instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products in the future. In recent years, the U.S. and China have each been implementing increased tariffs on imports from each other, and the U.S. has also adopted certain targeted measures such as export controls or sanctions implicating Chinese companies and officials. While certain trade agreements have been agreed between the two countries, the trade dispute is still developing, and the U.S. and China have yet to reach a compromise. There remains much uncertainty as to whether the trade negotiations between the U.S. and China will be successful and how the trade dispute between the U.S. and China will progress. If the trade dispute between the U.S. and China continues or escalates, or if additional tariffs or trade restrictions are implemented by the U.S., China or other countries in connection with a global trade dispute or "trade war," there could be material adverse effects on the global economy, and the Fund and any Investment Series could be materially and adversely affected.

In addition, other countries have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Fund and any Investment Series. While certain countries may agree to trade deals to address disputes, continued trade disputes between countries may remain unresolved which would result in an ongoing source of instability, potentially resulting in significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise), which could present similar and/or additional potential risks and consequences for the Fund and any Investment Series.

Social Media

The use of social networks, message boards, internet channels and other platforms has become widespread within the UK, the U.S., the EU and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or

misinformation regarding the Investment Manager, the Fund and any Investment Series could have a material and adverse effect on the value of the Fund and any Investment Series.

Not a Complete Investment Program

An investment in the Partnership is speculative and is not intended to be a complete investment program. It is designed only for sophisticated and experienced investors who can bear the risk of loss of their entire investment in the Partnership.

Differences Between Investment Series

The performance of a particular Investment Series may be inferior to the performance of another Investment Series. Participating Investors will be entitled to share only in the net capital appreciation of the underlying investments attributable to each Investment Series in which they participate.

Potential Significant Effect of the Performance of a Limited Number of Investments or Strategies

An Investment Series may make investments in a limited number of the Portfolio Funds and/or co-investments and Portfolio Funds may make investments in a limited number of Portfolio Companies. In either instance, these limited numbers of investments may have a significant effect on the performance of the Investment Series. In addition, an Investment Series may invest a substantial portion of its assets in Portfolio Funds that follow a particular investment strategy. In such event, the Investment Series would be exposed to the risks associated with that strategy to a greater extent than it would if the assets were invested more broadly among Portfolio Funds pursuing various investment strategies.

Limited Liquidity of Some Investments

Portfolio Funds in which an Investment Series invests may be invested in positions that are relatively illiquid because such positions are thinly traded, because they are traded only on markets that provide limited liquidity or because they are subject to transfer restrictions. A Portfolio Fund may not be able to liquidate its investments quickly if the need should arise, and the ability to realize gains or to avoid losses in periods of rapid market activity may therefore be affected. The value assigned to Portfolio Funds and the values that such Portfolio Funds assign to thinly traded or non-marketable securities for purposes of determining an Investment Series' net asset value may differ from the value such Investment Series and its Portfolio Funds are ultimately able to realize.

Lack of Liquidity in Portfolio Funds

The Investment Series are expected to acquire privately offered interests in pooled investment vehicles. Generally, those interests will not have been registered under U.S. federal or other securities laws and, as a result, will not be readily transferable. Withdrawals from Portfolio Funds will usually be significantly restricted and, at times, may be prohibited or suspended or may subject the relevant Investment Series to significant withdrawal fees or penalties. In particular, Portfolio Funds are not expected to offer any ability for an Investment Series to withdraw during the term of such Portfolio Fund. Consequently, such Investment Series may be unable to timely liquidate its interests in the Portfolio Funds. Limited Partners may withdraw from the Fund commencing any time only after such Limited Partner is no longer considered a Participating Investor in respect of any Investment Series. Accordingly, Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

Restrictions on Transfers

Interests in the Fund are not transferable except with the consent of the General Partner. The Interests in the Fund will

not be registered for public sale under the Securities Act, and the Fund is under no obligation to register the Interests (and has no present intention to effectuate any such registration). The Interests of the Fund may not be resold, transferred or otherwise disposed of by the Limited Partners in the absence of an effective registration statement, or the availability of an exemption from registration, under the Securities Act and the securities laws of other relevant jurisdictions.

Strategy Risks

Changes in Investment Strategies

Subject to the investment parameters set forth in this Memorandum and the applicable Series Documentation, the Investment Manager has broad discretion to expand, revise or contract the Fund's business without the consent of the Limited Partners. Thus, subject to such parameters, the investment strategies described elsewhere in this Memorandum or in the applicable Series Documentation hereto may be altered without prior approval by, or notice to, the Limited Partners in the Investment Manager's discretion. Any such decision to engage in a new activity could result in the exposure of the Fund's (and the applicable Investment Series') capital to additional risks that may be substantial.

Private Equity Investments

Private equity is a common term for investments that are typically made in private or public companies through privately negotiated transactions and generally involve equity-related finance intended to bring about some kind of change in a private business (e.g., providing growth capital, recapitalizing a company or financing an acquisition). Private equity funds, often organized as limited partnerships, are the most common vehicles for making private equity investments. Investment in private equity involves the same types of risks associated with an investment in any operating company. However, securities issued by private partnerships tend to be more illiquid, and highly speculative. Private equity has generally been dependent on the availability of debt or equity financing to fund the acquisitions of their investments. Depending on market conditions, however, the availability of such financing may be reduced dramatically, limiting the ability of private equity to obtain the required financing.

Risk Associated with Portfolio Companies of the Portfolio Funds Generally

Portfolio companies of Portfolio Funds ("**Portfolio Companies**") could, at times, involve a high degree of business and financial risk. Certain companies or assets will be in an early stage of development; will not have a proven operating history; will be reliant on developing unproven technology; will be operating at a loss or have significant variations in operating results; will be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence; will require substantial additional capital to support their operations, finance expansion or maintain their competitive position; or otherwise will have a weak financial condition or weak management. At times, these Portfolio Companies or assets will likely face intense competitive positioning, including from competitors with greater financial resources; more extensive development, manufacturing, marketing, and other capabilities; and more qualified managerial, operating, and technical capabilities. Portfolio Funds may compete with each other for investment opportunities or invest in competing Portfolio Companies or assets.

Small- and Medium-Capitalization Companies

Some Portfolio Funds may invest a portion of their assets in Portfolio Companies with small- to medium- sized market capitalizations. While such investments may provide significant potential for appreciation, they may also involve higher risks than investments in securities of larger companies. For example, the risk of bankruptcy or insolvency is higher than for larger, "blue-chip" companies.

Emerging Markets Risk

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries.

Real Estate Investments

The Fund may be exposed to real estate risk through its allocation to real estate investments. The residential housing sector in the U.S. came under considerable pressure for a prolonged period beginning in 2007 and home prices nationwide were down significantly on average. In addition, the commercial real estate sector in the U.S. was under pressure with prices down significantly on average. Residential and commercial mortgage delinquencies and foreclosures increased over this time period, which led to widespread selling in the mortgage-related market and put downward pressure on the prices of many securities. Accordingly, the instability in the credit markets adversely affected, and could adversely affect in the future, the price at which real estate funds can sell real estate because purchasers may not be able to obtain financing on attractive terms or at all. These developments also adversely affected, and could adversely affect in the future, the broader economy, which in turn adversely affected, and could adversely affect in the future, the real estate markets. Such developments could, in turn, reduce returns from real estate funds or reduce the number of real estate funds brought to market during the investment period, thereby reducing the Fund's investment opportunities.

Real estate funds are subject to risks associated with the ownership of real estate, including terrorist attacks, war or other acts that destroy real property (in addition to market risks, such as the events described above). Some real estate funds may invest in a limited number of properties, in a narrow geographic area, or in a single property type, which increases the risk that such real estate fund could be unfavorably affected by the poor performance of a single investment or investment type. These companies are also sensitive to factors such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer. Borrowers could default on or sell investments that a real estate fund holds, which

could reduce the cash flow needed to make distributions to investors. In addition, real estate funds may also be affected by tax and regulatory requirements impacting the real estate fund's ability to qualify for preferential tax treatments or exemptions.

Debt Securities

A Portfolio Fund may invest bonds or other debt securities. The value of a debt security may increase or decrease as a result of the following: market fluctuations, increases in interest rates, actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments or illiquidity in debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. A rising interest rate environment may cause the value of fixed income securities to decrease, may adversely impact the liquidity of fixed income securities, and increase the volatility of fixed income markets. If the principal on a debt obligation is prepaid before expected, the prepayments of principal may have to be reinvested in obligations paying interest at lower rates. During periods of falling interest rates, the income received by a Portfolio Fund may decline. Changes in interest rates will likely have a greater effect on the values of debt securities of longer durations. Returns on investments in debt securities could trail the returns on other investment options, including investments in equity securities.

Sovereign Debt

It is possible that Portfolio Companies or Portfolio Funds may invest in financial instruments issued by a government, its agencies, instrumentalities or its central bank ("**Sovereign Debt**"). Sovereign Debt may include financial instruments that the Portfolio Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question. The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer's (i) balance of trade and access to international financing; (ii) cost of servicing such obligations, which may be affected by changes in international interest rates; and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

Venture Capital

A Portfolio Fund may invest in venture capital. Venture capital is usually classified by investments in private companies that have a limited operating history, are attempting to develop or commercialize unproven technologies or implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. Although these investments may offer the opportunity for significant gains, such investments involve a high degree of business and financial risk that can result in substantial losses, which risks generally are greater than the risks of investing in public companies that may be at a later stage of development.

Equity Securities

Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the Investment Manager's or the Portfolio Fund managers' ability to anticipate changes that can adversely affect the value of the Investment Series' or the Portfolio Funds', as applicable, holdings. Opportunity for greater gain often comes with greater risk of loss.

Derivative Investments

Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying assets. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Fixed Income Securities

The market values of fixed income investments change in response to interest rate changes and other factors. Interest rates may change as a result of a variety of factors, and the change may be sudden and significant, with unpredictable impacts on the financial markets and investments. During periods of rising interest rates, the values of outstanding fixed income securities generally decrease. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to greater market value fluctuations as a result of changes in interest rates. During periods of falling interest rates, certain debt obligations with high interest rates may be prepaid (or “called”) by the issuer prior to maturity, and during periods of rising interest rates, certain debt obligations with low interest rates may be extended beyond maturity. A rise in interest rates may also increase volatility and reduce liquidity in the fixed income markets, and result in a decline in the value of the fixed income investments held by a Portfolio Fund. In addition, reductions in dealer market-making capacity as a result of structural or regulatory changes could further decrease liquidity and/or increase volatility in the fixed income markets. Very low or negative interest rates may prevent a Portfolio Fund from generating positive returns and may increase the risk that if followed by rising interest rates the Fund’s performance will be negatively impacted.

Infrastructure Investments

Investments by Portfolio Funds in infrastructure and infrastructure-related assets will involve a number of risks not always found in private market investments, including the following: (a) Portfolio Companies may be subject to substantial governmental regulation or reliant or dependent on governmental contracts, leases, or concessions, giving governmental authorities significant influence over Portfolio Companies (including pricing control) that could adversely impact their business; (b) with a large number of new infrastructure fund managers and a significant amount of capital being raised, there could potentially be an increase in the current valuation of infrastructure assets and ultimately downward pressure on future returns (prime or “trophy” assets in particular can become the subject of a bidding war, pushing up price multiples for managers seeking a high-profile asset); (c) infrastructure investments can have a substantial environmental impact and may be subject to numerous regulations relating to environmental protection, disruption from community action groups and financial exposure resulting from non-compliance with environmental laws either by the current or the previous owner; (d) greenfield or development infrastructure investments often carry bidding, development and construction risk, including delays in project completion, the project not being completed to the agreed specification, and increased costs and insolvency of contractors, sub-contractors, and/or key equipment suppliers in addition to the counterparty risk resulting from infrastructure projects’ general dependence on operation and maintenance capabilities, which may further result in the loss or insolvency of, or breach of contract by, an operator of an infrastructure project that could cause significant harm to the financial viability of the project; (e) certain infrastructure assets may be at increased risk of terrorist attacks owing to their regional or national profile, causing significant harm to employees, assets and potentially the surrounding community; and (f) the use of infrastructure assets may be interrupted or otherwise affected by a variety of events including serious traffic accidents, natural disasters (such as fire, floods, earthquakes, and typhoons), man-made disasters, defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, fuel prices, general economic conditions (for example, the current global economic crisis related to COVID-19), labor disputes, and other unforeseen

circumstances and incidents. If the use of the infrastructure assets held by Portfolio Funds is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration as well as the overall public confidence in such infrastructure assets could be reduced. Losses can exceed available insurance coverage.

Interest Rate Risk

Certain investments are expected to expose the Fund to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that can affect market interest rates include, without limitation, inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets.

Holding Period of Investment Positions

The Investment Manager typically does not know the maximum—or, often, even the expected—holding period of any particular investment in a Portfolio Fund at the time of initiation. The length of time for which an investment in a Portfolio Fund is maintained may vary significantly, based on the Investment Manager’s subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses. There can be no assurance that the Fund will be able to maintain any particular Portfolio Fund investment for the duration required to realize the expected gains, or avoid losses, from such investments.

Lack of Diversification

The lack of diversification of the Fund’s portfolio investments materially increases the risk of loss. The failure of even a limited number of the Fund’s investments could make it highly unlikely that the Fund will be able to achieve its investment objective or avoid substantial overall losses. Furthermore, there can be no assurance, particularly during periods of market disruption and stress when the risk control benefits of diversification may be most important, that the Fund will not be positively correlated with a traditional portfolio of stocks and bonds or even other alternative investments.

Sector Concentration

An Investment Series may concentrate its investments in specific industry sectors, which means each may invest a large amount of its investable assets in a specific industry sector. This focus may constrain the liquidity and the number of Portfolio Companies available for investment. In addition, the investments of such an Investment Series will be disproportionately exposed to the risks associated with the industry sectors of concentration.

Concentration within a Series

Each Investment Series will have exposure to an extremely limited number of Portfolio Funds (or Portfolio Investments generally), and in many cases to only one Portfolio Fund or other Portfolio Investment, and no other investments will be pursued by such Investment Series. With respect to such Investment Series, losses incurred in connection with such Portfolio Investment would have a material adverse effect on the Investment Series. Absence of diversity could expose the Investment Series to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in the Portfolio Fund. The Investment Series would therefore be subject to a significantly greater degree of risk with respect to the failure or decline in value of the Portfolio Fund than it would be if it maintained a more diversified portfolio. It is possible that in some cases such a downturn will result in an Investment Series losing its entire investment in the applicable Portfolio Investment. In addition, due to certain regulatory and contractual restrictions, an Investment Series and its Portfolio Funds may be unable to transfer or otherwise dispose of the

Portfolio Fund's interest in an investment for a certain period of time after the effective date of acquisition. This could result in the Investment Series suffering substantial losses.

Availability of Investment Opportunities

The success of the Fund depends largely on the ability of the Investment Manager to identify, analyze, select and make investments that it believes meet the investment objectives and guidelines of the Fund. The availability of suitable opportunities will depend upon (among other things) financial, market, business and economic conditions. The Fund may not be able to obtain the opportunity to invest and complete investments which satisfy the Fund's investment criteria. Identifying attractive investment opportunities is difficult and involves a high degree of uncertainty.

Structural Risks

Indemnification of Portfolio Funds, Portfolio Fund Managers and Others

The Fund may agree to indemnify certain of the Investment Series and the Portfolio Funds and their respective managers, officers, directors, and affiliates from any liability, damage, cost, or expense arising out of, among other things, acts or omissions undertaken in connection with the management of Portfolio Funds. If the Fund were required to make payments (or return distributions) in respect of any such indemnity, the Fund and the Investment Series could be materially adversely affected.

Cross Series Liability

The Holding Vehicle is a Delaware "series" limited partnership under Section 17-218(b) of the Delaware Revised Uniform Limited Partnership Act (the "Act"). As a general matter each Investment Series of the Holding Vehicle are expected to be a "protected series" under the Act and each Investment Series will be maintained by the Fund and/or the Holding Vehicle separately with separate accounting records and with capital contributions (and investments made therewith) kept in segregated accounts. Under the Act, the assets of one Investment Series of the Holding Vehicle will not be available to satisfy the liabilities of another Investment Series. A series of a Delaware series limited partnership is designed to protect the assets of one Investment Series from the liabilities of another Series under the Act. However, the Holding Vehicle may operate, have assets held on its behalf or be subject to claims in certain jurisdictions which may not necessarily recognize the segregation of protected series of a Delaware series limited partnership. Some states have not enacted series limited partnership or similar statutes. There is no guarantee that the courts of any jurisdiction will respect the limitations of liability associated with a series of a limited partnership and if such a situation should arise, it may be the case that the assets of one Investment Series may be exposed to the liabilities of another Investment Series, or the liabilities of the Holding Vehicle generally. Because the Fund will be the sole beneficial owner of the Holding Vehicle, the assets of the Holding Vehicle could theoretically become subject to Fund-level liabilities regardless of the Investment Series in which they are held.

Diverse Investor Base

There is no guarantee that any Limited Partner who agrees to participate in an Investment Series will be able or permitted to participate in any or each Investment Series. The Limited Partners are expected to consist of diverse investors that may have conflicting investment, tax and other interests with respect to their investments in the Fund and each Investment Series. The investment returns of the Limited Partners who become Participating Investors in respect of a particular Investment Series will vary and it is not intended that all Limited Partners will have the same investment returns.

Importance of the Investment Manager

The Fund is dependent on the ability of the Investment Manager to manage the various investments. The Investment

Manager, in turn, is dependent on the services of certain key personnel. The investment professionals that specialize in implementing the Fund's investment strategies are strictly limited in number. Losing the services of any portfolio managers could impair the ability of the Investment Manager to provide services to the Fund, which may result in the dissolution of the Fund (possibly under unfavorable market conditions) or otherwise be material and adverse to the Fund. The highly specialized nature of the markets in which the Fund will invest and the models used to conduct such investing may make these investment professionals particularly difficult to replace. In addition, the more skilled an investment professional is, the more difficult it is to retain that professional given the competitive talent markets in which the Investment Manager operates.

Limited Partners have no right or power by vote or otherwise to participate in the management or control of the business of the Fund and thus must depend solely upon the ability of the Investment Manager with respect to managing the Fund's capital, operating the Fund, and conducting offerings.

Interests Denominated in U.S. Dollars

The Interests are denominated, and the Fund values its assets, in U.S. Dollars. Consequently, not only is the Fund subject to potential exchange-rate risk on its investments in positions denominated in other currencies, but so are Limited Partners whose functional currency is not the U.S. Dollar with respect to their investment in the Interests.

Substantial Expenses

An investment in the Fund is subject to substantial fees and expenses. See "*Fees and Expenses.*" Participating Investors will bear the costs of an Investment Series, which may incur significant due diligence and transaction costs, including research services used by the Investment Manager, irrespective of the profitability of the Investment Series, as well as administrative fees payable to the Administrator for Fund administration and related services. Such expenses will decrease the profits Limited Partners are able to realize.

Operating Deficits

The expenses of operating an Investment Series could exceed the Series' income, thereby requiring the difference to be paid out of the Investment Series' capital and resulting in a reduction of the amount of capital available for investment and the Investment Series' potential for profitability.

Incentive Allocation Arrangements

Managers of Portfolio Funds may receive a performance fee, carried interest or incentive allocation with respect to the Portfolio Fund. These performance incentives may create an incentive for the Portfolio Fund managers to make investments that are riskier or more speculative than those that might have been made in the absence of the performance fee, carried interest, or incentive allocation.

Valuation of an Investment Series Interest in Portfolio Funds

A large percentage of the securities in which an Investment Series invests will not have a readily determinable market price and will be fair valued by the Investment Series. In this regard, the underlying Portfolio Fund managers may face a conflict of interest in valuing the securities, as their value may affect such manager's compensation or its ability to raise additional funds in the future. No assurances can be given regarding the valuation methodology or the sufficiency of systems utilized by any Portfolio Fund, the accuracy of the valuations provided by the Portfolio Funds, that the Portfolio Funds will comply with their own internal policies or procedures for keeping records or making valuations, or that the Portfolio Funds' policies and procedures and systems will not change without notice to the Investment Series. As a result, valuations of the securities may be subjective and could subsequently prove to have been wrong, potentially by significant amounts.

The Fund's and the Investment Series' securities valuation and pricing services policies and procedures (the "**Valuation Procedures**") generally provide that valuations for Portfolio Funds will be determined based in part on estimated valuations provided by managers of the Portfolio Funds and also on valuation determinations made by the Investment Manager pursuant to a valuation methodology that incorporates general private equity pricing principles and information from third-party valuation services. The Fund run the risk that the Investment Manager's valuation techniques will fail to produce the desired results. Any imperfections, errors, or limitations in any model that is used could affect the ability of the Investment Series to accurately value its assets. By necessity, models make assumptions that limit their efficacy. Models that appear to explain prior market data can fail to predict future market events. Further, the data used in models may be inaccurate and may not include all knowable information or the most recent information about a company, security, or market factor. In addition, the Investment Manager may face conflicts of interest in valuing the Investment Series assets.

A Portfolio Fund's information could be inaccurate due to fraudulent activity, misevaluation, or inadvertent error. In any case, an Investment Series may not uncover errors for a significant period of time, if ever. Even if the Investment Manager elects to cause the Investment Series to sell its interests in such a Portfolio Fund, the Investment Series may be unable to sell such interests quickly, if at all, and could therefore be obligated to continue to hold such interests for an extended period of time. In such a case, the Portfolio Fund's valuations of such interests could remain subject to such fraud or error, and the Investment Manager may, in its sole discretion, determine to discount the value of the interests or value them at zero. Investors should be aware that situations involving uncertainties as to the valuations by Portfolio Funds could have a material adverse effect on the Investment Series and the Fund if judgments regarding valuations should prove incorrect. Persons who are unwilling to assume such risks should not make an investment in the Fund.

Use of Estimates

The Investment Manager is authorized to make all financial (and the related tax) allocations and to determine all net asset values, based on estimates and unaudited financial information and is reliant on the reporting of the underlying Portfolio Fund managers.

No Separate Legal Counsel

Morgan, Lewis & Bockius LLP serves as legal counsel to the General Partner and the Investment Manager with respect to U.S. law. Morgan, Lewis & Bockius LLP, does not purport to represent the separate interests of Limited Partners and has assumed no obligation to do so. Accordingly, the Limited Partners have not had the benefit of independent counsel in the structuring of the Fund or the determination of the relative interests, rights, and obligations of the Investment Manager and the Limited Partners.

Possibility of Qualified Auditors' Reports

Except as otherwise discussed in this Memorandum, the Investment Manager will attempt to ensure that the Fund's financial statements are not qualified as to their compliance with GAAP, but there can be no assurance that the Fund's audit might not, from time to time, be so qualified.

GAAP requires that the Fund determine the "fair value" of its positions. Given the illiquidity of certain market instruments in which the Fund may trade and the difficulty of valuing certain illiquid instruments, it may not be possible for the Fund to "fair value" its portfolio with sufficient certainty to obtain audited financial statements receiving an "unqualified" auditors' report indicating that these financial statements have been prepared in accordance with GAAP.

Prospective investors must confirm whether they are permitted—by law or internal policy—to invest in a fund which fails to obtain an unqualified auditors' report.

Prospective investors should also recognize that merely because the Fund is able to determine the “fair value” of its portfolio to the extent necessary to obtain an unqualified auditors’ report, it does not mean that such “fair value” corresponds to either actual or realizable value, or that Limited Partners will not be subject to material economic dilution due to the uncertainty of the Fund’s valuation.

Cybersecurity

The Fund, the Investment Manager, and their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Fund and investors, despite the efforts of the Investment Manager and its service providers to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity and availability of information belonging to investors and/or the Fund. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Investment Manager and its service providers, counterparties, or data within these systems, potentially resulting in financial loss to the Fund if such actions prevent the Investment Manager from effectively managing portfolio risks and performing trading activities. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Investment Manager’s systems to disclose sensitive information in order to gain access to the Investment Manager’s data or that of the Fund and investors. A successful penetration or circumvention of the security of the Investment Manager’s systems could result in the loss or theft of an investor’s data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Fund, the Investment Manager, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Cybersecurity threats have been particularly prevalent during the COVID-19 pandemic and related market disruptions.

Risk of Default

If a Limited Partner fails to pay when due installments of its capital commitment to an Investment Series, and the contributions made by non-defaulting Participating Investors and borrowings by the Investment Series are inadequate to cover the defaulted capital contribution, the Investment Series may be unable to pay their obligations when due. As a result, the Investment Series may be subjected to significant penalties that could materially adversely affect the returns to the Participating Investors (including non- defaulting Participating Investors). If a Limited Partner defaults, the General Partner may apply remedies including, but not limited to: (i) causing such Limited Partner to forfeit a portion of the investment proceeds otherwise distributable to it, (ii) declaring a significant portion of such defaulting Limited Partner’s Interest in an Investment Series to be forfeited (with any such forfeited Interest reallocated among the other non-defaulting Participating Investors, *pro rata* according to their respective Interests) and/or (iii) selling such defaulting Limited Partner’s Interest to any person designated by the General Partner at a price equal to a portion of such defaulting Limited Partner’s net capital contributions (the aggregate capital contributions made by such Limited Partner, less distributions it has received), as reduced by such defaulting Limited Partner’s share of any expenses, deductions or losses (including write downs). The General Partner shall also have the right to charge interest on defaulted amounts and terminate the Capital Commitment of a defaulting Limited Partner and shall have certain other remedies available to it.

Termination of the Fund’s Interest in a Portfolio Fund

A Portfolio Fund may, among other things, terminate the Fund’s interest in that Portfolio Fund (causing a forfeiture of all or a portion of such interest) if the Fund fails to satisfy any capital call by that Portfolio Fund or if the continued participation of the Fund in the Portfolio Fund would have a material adverse effect on the Portfolio Fund or its assets.

Regulatory and Tax Risks

Risk of Litigation

In the ordinary course of business, the Fund or an Investment Series may be subject to litigation from time to time as well as involved in bankruptcy and insolvency proceedings. Any litigation may consume substantial amounts of the Investment Manager's time and resources, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Litigation involving the Fund, and Investment Series or the Investment Manager and its Affiliates in relation to the Fund or an Investment Series would likely result in substantial expenses borne by the Fund or such Investment Series.

Limited Regulatory Oversight

The Fund is not registered and does not intend to register as an investment company under the Investment Company Act of 1940 (the "1940 Act"), and, accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have independent directors, require securities held in custody to be individually segregated from the securities of any other person at all times and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the Investment Manager and the investment company) will not apply. Therefore, investors in the Fund do not have the benefit of the protections afforded by, nor is the Fund subject to the restrictions resulting from, such registrations and regulations.

Private Offering Exemption

The Fund intends to offer Interests on a continuing basis without registration under any securities laws in reliance on an exemption for "transactions by an issuer not involving any public offering." While the General Partner believes reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notices, filings or changes in applicable laws, regulations or interpretations will not cause the Fund to fail to qualify for such exemptions under U.S. federal or one or more states' securities laws. Failure to so qualify could result in the rescission of sales of interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the Fund's performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the General Partner's ability to conduct the Fund's business and thus the return to investors.

Economic Sanction Laws

The Fund and the Investment Manager are subject to laws that restrict them from dealing with entities, individuals, organizations, investments, and/or governments which are subject to applicable sanctions regimes. Enforcement of economic sanctions laws in the U.S. and other countries is increasing, and the failure by the Fund or the Investment Manager to comply with U.S. or other relevant economic sanctions could have serious legal and reputational consequences. In addition, economic sanctions restrictions may prevent or delay consummation of an investment based on the need for enhanced due diligence or additional measures to mitigate sanctions risks.

Politically Exposed Person Risks

The Interests in the Fund may be subscribed by an investor who is a politically exposed person, whose beneficial owner, controller or authorized person is a politically exposed person, who is a family member or close associate of a politically exposed person, who is acting on behalf of a politically exposed person, or who is otherwise determined by the Fund to be in a higher risk category. While the Fund may undertake enhanced due diligence on such investors or

decline subscriptions from such investors to mitigate risks, there is no guarantee that the Fund will not be negatively affected by the existence of such investors, including, but not limited to, becoming subject to heightened scrutiny from regulators and asset freezes under certain circumstances.

Increased Regulatory Oversight of Private Funds and Investment Advisers

The financial services industry generally, and the activities of private funds and their investment managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Fund's and the Investment Manager's exposure to potential liabilities and to legal, compliance, and other related costs. Increased regulatory oversight can also impose administrative burdens on the Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Investment Manager's time, attention and resources from portfolio management activities. The Fund may also be subject to regulatory inquiries concerning its positions and trading. Increasing regulatory oversight will increase the regulatory and reporting burdens on the Fund, which will increase the Fund's expenses, and may place into question the enforceability of some provisions of the definitive documentation of the Fund and any supplementary agreements. It is difficult to predict the full impact that the new rules will have on the Fund and the Investment Manager, including possible future alterations to the terms and expenses of the Fund and/or how the Fund operates.

Regulatory Changes/Revised Regulatory Interpretations Could Make Certain Strategies Obsolete

Regulations could be imposed in the future applicable to the operations of the Investment Manager or the Fund that may adversely affect the ability of the Fund to implement its investment program. It is uncertain in what respects future regulatory interpretations, in respect of U.S. or other laws, may require the Fund to alter the manner in which it does business.

There have been incidents of regulators unexpectedly announcing regulatory changes that prohibited strategies that had been implemented in a variety of formats for many years. In addition to proposed and actual regulatory changes, there have been incidents of regulators unexpectedly taking positions with respect to existing regulations that similarly prohibited strategies implemented previously. It is impossible to predict if future regulatory developments might adversely affect the Fund.

U.S. Federal Income Tax Risks

The Fund has not requested a ruling from the Internal Revenue Service (the "IRS") or an opinion of legal counsel as to any tax matters, including whether the Fund will be treated as a partnership (and not as an association taxable as a corporation) for U.S. federal income tax purposes. If the Fund were to be treated as a corporation rather than as a partnership for U.S. federal income tax purposes, the Fund itself would be taxed on its taxable income at the applicable corporate tax rate, items of Fund income, gain, loss and deduction would not flow through to the Limited Partners, and distributions from the Fund (other than certain withdrawal distributions) would be treated as dividend income to the extent of the current and accumulated earnings and profits of the Fund.

Under current law, the General Partner expects that the Fund will be classified and treated as a partnership for U.S. federal income tax purposes and will not be taxable as a corporation.

Assuming that the Fund is treated as a partnership, each Limited Partner must take into account in its own income or loss its allocable share of Fund taxable income, gain, loss and deduction, whether or not any cash is distributed. As a result of various limitations imposed by the tax laws regarding passive losses and otherwise, a Limited Partner may be unable to currently deduct its allocable share of the Management Fee and other Fund expenses and capital losses, if any. A Limited Partner's tax liability with respect to its share of the Fund's taxable income may exceed the cash distributions to such Limited Partner in a particular year. Furthermore, special tax rules apply to certain categories of Limited Partners, including individual retirement accounts and other tax-exempt entities.

An audit or adjustment of the Fund's federal information tax returns may cause a change in or precipitate an audit of the Limited Partners' federal income tax returns. Further, any such audit might result in adjustments by the IRS to items of non-Fund income or loss. Any additional U.S. federal income tax due as a result of any such adjustment will bear interest at rates established quarterly by the IRS.

The above discussion is not intended to be a complete discussion of the potential U.S. federal income tax risks of investing in the Fund. Prospective investors should not construe it as legal, tax, or financial advice. Each prospective investor should consult its own advisors as to legal, tax, financial, or other matters relevant to the suitability of an investment for that investor.

Foreign Investments

Investment in foreign issuers or securities principally traded outside the U.S. may involve special risks due to foreign economic, political, and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation, nationalization or confiscatory taxation of assets, diplomatic relations, embargoes, economic sanctions against a particular country or countries, organizations, entities and/or individuals, limitation on the removal of funds or assets, and possible difficulty in obtaining and enforcing judgments against foreign entities. The Fund and/or any Investment Series may be subject to foreign taxation on realized capital gains, dividends or interest payable on foreign securities, on transactions in those securities and on the repatriation of proceeds generated from those securities. Transaction-based charges are generally calculated as a percentage of the transaction amount and are paid upon the sale or transfer of portfolio securities subject to such taxes. Any taxes or other charges paid or incurred by the Fund and/or any Investment Series in respect of its foreign securities will reduce the Fund's yield.

Issuers of foreign securities are subject to different, often less comprehensive, accounting, custody, reporting, and disclosure requirements than U.S. issuers. The securities of some foreign governments, companies, and securities markets are less liquid, and at times more volatile, than comparable U.S. securities and securities markets. Foreign brokerage commissions and related fees also are generally higher than in the United States. Portfolio Funds that invest in foreign securities also may be affected by different custody and/or settlement practices or delayed settlements in some foreign markets. The laws of some foreign countries may limit an Portfolio Fund's ability to invest in securities of certain issuers located in those countries. Foreign countries may have reporting requirements with respect to the ownership of securities, and those reporting requirements may be subject to interpretation or change without prior notice to investors. No assurance can be given that the Portfolio Funds will satisfy applicable foreign reporting requirements at all times.

In addition, the tax laws of some foreign jurisdictions in which a Portfolio Fund may invest are unclear and interpretations of such laws can change over time. As a result, in order to comply with guidance related to the accounting and disclosure of uncertain tax positions under GAAP, a Portfolio Fund may be required to accrue for book purposes certain foreign taxes in respect of its foreign securities or other foreign investments that it may or may not ultimately pay. Such tax accruals will reduce a Portfolio Fund's net asset value at the time accrued, even though, in some cases, the Portfolio Fund ultimately will not pay the related tax liabilities. Conversely, a Portfolio Fund's net asset value will be increased by any tax accruals that are ultimately reversed.

Possible Adverse Tax Consequences

The Fund cannot assure any Limited Partner that the IRS or any applicable state, local or foreign tax authorities (collectively, the "Tax Authorities") will accept the tax positions taken by the Fund. If any Tax Authority successfully contests a tax position taken by the Fund, the Fund or the Limited Partners may be liable for tax, interest, additions to tax or penalties, and the Limited Partners may need to file or amend one or more tax returns to reflect such contested positions.

The Fund will invest, and the Investment Manager and the investment vehicles advised by the Investment Manager or its Affiliates may engage in other activities, in jurisdictions outside the United States. These activities of the Fund, the Investment Manager, and the investment vehicles advised by the Investment

Manager or its Affiliates could result in the Fund, and potentially certain Limited Partners, being subject to taxation in one or more jurisdictions.

The Investment Manager's investment decisions are based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to some or all Limited Partners.

The foregoing list of risk factors is illustrative only and does not purport to be complete. Nor does it purport to explain rather than simply identify certain of the principal risks of an investment in the Fund. Prospective investors should refer the Offering Documents and consult with their own legal, financial, tax and other advisors before deciding to make an investment in an Interest.

ITEM 9: DISCIPLINARY INFORMATION

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management.

We do not have any required disclosures under this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

PRIVATE INVESTMENT FUNDS

Avestar serves as the investment manager of certain proprietary Funds and its related persons serve as the general partners to such Funds and may be invested in such Funds. This presents a conflict of interest since Avestar has an incentive to recommend investment in a Fund over other investments when such Fund's fees are greater than those for a separately managed account or other comparable Fund. These conflicts are actively managed and considered as part of every portfolio management decision involving Avestar's investment personnel. Avestar has no affiliation with the underlying managers of the Funds and none of the underlying managers or their affiliates are invested in the Funds.

Clients to whom a Fund is recommended will receive a private placement memorandum and other offering documents. Clients should refer to the offering documents for a complete description of the fees, expenses, investment objectives, risks and other relevant information associated with investing in such Fund.

Shilpa Konduri Mullan, an associated person of Avestar, serves as a Director and has a controlling interest for the Avestar Structured Note SPV GP, the 3 Alpha WPGG 14 SPV GP, LLC, and 3 Alpha India Multi Manager Equity Fund SPV GP, the general partners of the Proprietary Funds. With respect to the SPVs, Avestar has no affiliation with the underlying managers of the Proprietary Funds and none of the underlying managers or their affiliates are invested in the Proprietary Funds.

Her duties as a Director of the private funds, and her indirect control or ownership of the general partners to the private funds do not create a material conflict of interest to her other advisory services provided through Avestar Capital, LLC because she is not involved in any investment related decision making for Avestar's clients.

FOREIGN AFFILIATE

Avestar is affiliated with Avestar Advisory LLP through common ownership. Avestar Advisory LLP is an offshore entity, provides services to clients located in India. Avestar is also affiliated with Avestar Singapore Pte, Ltd, a Singapore based adviser offering investment advice to non-United States based clients and investors.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

DESCRIPTION OF OUR CODE OF ETHICS

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with us, including personal trading, disclosure of outside business activities and insider trading policies. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with us are expected to adhere strictly to these guidelines. Persons associated with us are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with us.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Avestar and its employees may give advice and take action in the performance of their duties that may be the same as, similar to, or different from advice given, or the timing or nature of actions taken, for other Client accounts or for their proprietary or personal accounts. Avestar and its employees may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which your account may have an interest from time to time. We have no obligation to acquire for your account a position in any investment, which it, acting on behalf of another Client, or an employee, may acquire, and the Client accounts shall not have first refusal, co-investment or other rights in respect of any such investment. In addition, our employees may be invested in our products. Because this may present a potential conflict of interest, we have adopted a Code of Ethics, which includes restrictions on employees' personal trading as described above.

PERSONAL TRADING PRACTICES

Avestar or its employees buy or sell the same securities that we recommend to you, including interests in our private funds, or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. Personal trading by our employees is reviewed by our Chief Compliance Officer, or a designee.

ITEM 12: BROKERAGE PRACTICES

Custodial services are provided by Pershing Advisor Solutions (“PAS”) or Charles Schwab, each, a “Qualified Custodian”. The recommended Custodians are securities broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that the recommended broker dealer provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the broker dealer, including the value of the broker's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the broker provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

RESEARCH AND OTHER SOFT DOLLAR BENEFITS

We do not have any soft dollar arrangements.

BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

DIRECTED BROKERAGE

In limited circumstances, and at our discretion, you may instruct us to use one or more particular brokers, other than our primary custodians, for the transactions in your accounts. If you choose to direct us to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent us from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

AGGREGATED TRADES

We may combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given transaction. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by us or persons associated with us may participate in aggregated trading with your accounts; however, they will not be given preferential treatment as aggregated or “block” orders each receive the same average price.

We generally do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with us, we may not be able to buy and sell the same quantities of securities for you, and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with us.

TRADE ERRORS

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

CLASS ACTION LAWSUITS

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

ITEM 13: REVIEW OF ACCOUNTS

Your Investment Professional will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Contributions and withdrawals
- Year-end tax planning
- Market events
- Security specific events, and/or
- Changes in your risk/return objectives.

We may provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information. You will receive trade confirmations and monthly or quarterly statements directly from your account custodian(s). You should always compare the reports we provide to you versus those you receive from your custodian for accuracy. You should contact your investment professional promptly if there are material discrepancies between our statements and those from your custodian.

FINANCIAL PLANNING

Our Investment Professionals will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. We will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan will be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

MODEL PORTFOLIOS

Avestar conducts ongoing monitoring and trading recommendations for the model portfolios offered to other registered investment advisors that have sub-advisor programs. As a general rule, Avestar provides trade recommendation to other investment advisors as needed. However, Avestar will not exercise any investment trading discretion or act as a fiduciary over any client account in our Model Portfolio Sub-Advisory Program. Avestar prepares quarterly Model Portfolio performance reports for the registered investment advisors that have investment sub-advisor programs.

PRIVATE INVESTMENT FUNDS

Our investment team conducts ongoing reviews of each fund we manage to ensure continued adherence to the fund's stated investment objectives, strategies, and restrictions as described in the applicable offering documents. These reviews occur frequently throughout the year and assess portfolio holdings, risk exposures, liquidity levels, and other relevant factors.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Compensation to Non-Advisory Personnel for Client Referrals

If a client is introduced to Avestar by an unaffiliated or an affiliated solicitor (“Promoter”), Avestar may pay that Promoter a referral fee. We have not entered into any such arrangement at this time.

We maintain a referral arrangement with an independent third-party financial advisory firm that provides 401(k) consulting services to institutional clients. Under this arrangement, we receive a nominal fee for client referrals. Beyond the referral, we do not have any involvement or responsibilities related to the advisory services or the associated accounts.

ITEM 15: CUSTODY

As paying agent for Avestar, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes us to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a qualified bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. We may also provide account statements to you at least quarterly, in addition to the statements you receive from your custodian. Certain price discrepancies, timing of deposits or withdrawals, or other minor differences between our statements and your custodial statements may occur. You should carefully review both account statements for accuracy.

PRIVATE INVESTMENT FUNDS

We, or our affiliate, serve as the investment adviser, related general partner, managing member, similar control persons and entities to the Proprietary Funds or SPVs. In our capacity as General Partner to the Funds or SPVs, we will have access to the Funds' or SPVs' cash and securities, and as such we are deemed to have custody over such funds and securities. We comply with the Custody rule requirements by hiring an independent auditor subject to PCAOB oversight to conduct an audit of our Funds and SPVs, as well as provide each limited partner in the Funds or SPV with audited annual financial statements. If you are a Fund or SPV investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

ITEM 16: INVESTMENT DISCRETION

If you participate in our discretionary portfolio management services, we require you to grant us written discretionary authority to manage your account. When you grant us discretion, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. Discretionary authority is typically granted by the IAA you sign with us, a power of attorney, or trading authorization forms. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with us, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by us on a non-discretionary basis.

ITEM 17: VOTING CLIENT SECURITIES

We do not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized us to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

ITEM 18: FINANCIAL INFORMATION

We do not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We have not filed a bankruptcy petition at any time in the past ten years, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.