

# BLUE SAND SECURITIES

## **GENERAL RISKS of INVESTING in ALTERNATIVE INVESTMENTS**

The Financial Industry Regulatory Authority observes that unregistered private investment funds, or pools, which employ different investment, hedging, leverage and arbitrage methodologies, with exposure to many different securities and futures markets, are not subject to the same regulatory requirements as mutual funds or unit trusts, including mutual fund / unit trust requirements to provide certain periodic and standardized pricing and valuation information to their investors.

The funds are unregistered private investment funds or pools that employ different investment, hedging, leverage and arbitrage methodologies with exposure to many different securities and futures markets. The funds are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. Readers should note the following:

- The funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment.
- Any investment in the funds should be discretionary capital set aside strictly for speculative purposes.
- An investment in a fund is not suitable for all investors.
- The funds may be leveraged and a fund's performance can be volatile.
- Some funds may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.
- Some funds may execute a substantial portion of trades on foreign exchanges, which could mean higher risk.
- An investment in the funds may be illiquid and there are significant restrictions on transferring interests in a fund. There is no secondary market for an investor's investment in a fund and none is expected to develop.
- A fund's fees and expenses-which may be substantial regardless of any positive return-will, offset the fund's trading profits.
- Some funds may involve complex tax structures and delays in distributing important tax information.

This summary is not a complete list of the risks and other important disclosures involved in investing in the funds and is subject to the more complete disclosures contained in the funds' respective offering documents, which should be reviewed carefully. All performance information is net of applicable fees unless otherwise specifically noted. This material is provided for informational purposes only as of the date hereof and is subject to change without notice. Blue Sand Securities is compensated for finding investors for each of the foregoing funds. This material may not be suitable for all investors and is not intended to be an offer, or the solicitation of any offer, to buy or sell any securities. No offer or solicitation may be made prior to the delivery of appropriate offering documents to qualified investors. The information contained herein, including investment returns, valuations, fund targets and strategies, has been supplied by the funds or their agents to Blue Sand and, although believed to be reliable, has not been independently verified and cannot be guaranteed. Blue Sand makes no representations or warranties as to the accuracy or completeness of such information. This material is not complete and is subject to the more complete disclosures and terms and conditions contained in a particular fund's offering documents, which may be obtained directly from the fund.