

C O N I F E R



S E C U R I T I E S

FACT SHEET

Who is Conifer? Conifer Securities LLC, formed in 1989, is a registered broker dealer with offices in San Francisco, New York, Boston and Tortola, British Virgin Islands. We provide a comprehensive suite of services to alternative asset managers, including private equity and hedge funds, and family investment offices (collectively “Clients”).

What is Conifer’s corporate structure? We are a California-formed limited liability company that is structured as a partnership. We are owned by our managing partners and a select group of limited partners. We have over 75 employees across our offices.

What services does Conifer offer? For our investment fund Clients, we offer fund administration and accounting, trade operations, portfolio accounting, dedicated trading support and execution services, regulatory consulting. For our investment advisor Clients, we provide ongoing compliance consulting including initial registration, corporate accounting and business planning, technology support and facilities. A complete list of services is attached

Who are Conifer’s Clients? Investment advisors and investment funds, including hedge funds, private equity funds and family investment offices. We also have a select group of retail brokerage Clients.

Is Conifer independent from its Clients? Yes. We do not own any equity stakes in our Clients.

What are Conifer’s Assets under Administration? Over \$4B. We provide services to over 40 investment managers and over 100 private equity, hedge funds and managed accounts.

How is Conifer regulated? We are a member of the NASD and SIPC and a registered broker dealer in all fifty states, and we clear through Jefferies & Co., Inc on a fully disclosed basis. We have trading protocols in place for our principals and employees that preserve the independence from our Clients’ businesses. We have anti-money laundering procedures in place that comply with federal regulations as well as the offshore jurisdictions of our Clients.

How does Conifer value securities? Many of our Clients are advisory accounts with a portfolio managed by an investment advisor with ultimate authority over the valuation of the account’s assets. That said, we understand the necessity for our Clients to have an independent third party valuing their portfolios, and we accommodate that need through a “published” valuation policy.

Conifer’s Valuation Policy for publicly traded securities is:

- a. We value securities with the aid of independent pricing agents such as Reuters, Bloomberg and Thomson Financial;
- b. A security will be valued at its last sale price on the valuation date, as recorded by the primary exchange on which the security is traded, or, if no sale was reported on the valuation day on the primary exchange where that security is traded, the security will be valued at the last sales price on that exchange when that security was last traded;

- c. Options are valued at the last sale price unless the last sale is outside of the bid-ask range and then it is priced at the average of bid-ask;
- d. Fixed income securities are valued on a daily basis generally with IDC or Bloomberg. Wherever fixed income securities are not priced in the market, at least 2 outside broker quotes need to be provided to Conifer's Operations department as verification. If outside quotes are not available, we work with our Clients, their auditors and counsel as necessary to reach fair valuation:
- e. Commodities are valued at the last sale price reported by Bloomberg.

Conifer's Valuation policy for illiquid and private securities is:

- a. If a security is illiquid or cannot be measured through the publicly traded valuation and pricing methods outlined above, Conifer will work under the guidance of our Clients and their governing documents, auditors and counsel to reach a fair valuation.

Our goal is to provide transparent valuations that enable our Clients to show fairness and accuracy in the marked values of their portfolios to their investors. We work with our Clients to achieve this transparency, and we have flexibility built-in to our portfolio accounting system to accommodate the independent valuation needs of our clients should they vary from our published policy. In the instance where a Client's determination of a security's value varies from our own, we will work under the guidance of our Client with their auditors and counsel as necessary to reach a fair and accurate valuation.

How does Conifer calculate NAV? We perform portfolio accounting and NAV calculations for over 75 funds, including a number with offshore jurisdictions (primarily in the Cayman Islands). We reconcile positions between the prime and executing brokers and our Client. If our Client believes that a position is not fairly priced under the Conifer Valuation Policy set forth above, we work with our Client to get more accurate pricing. That might mean that we are provided valuations from other independent sources such as outside brokers or valuation experts determined by our Client. Or it might mean that we work with the fund's auditors to achieve a more appropriate valuation under the guidance of the investment advisor. Our Client has the ultimate say on valuation, however, our goal is that the position is valued correctly at the time it enters the portfolio so that there is not a re-pricing event at the time of the audit. We work closely with our Clients' auditors to get signoff on anything outside of our published policy that cannot be verified by two or more independent, licensed sources to assure that whenever the portfolio is priced, its pricing is fair and accurate and that there is no risk that upon the audit the assets will be re-priced to avoid a qualification statement on the fund's financial statements. Once the portfolio has been valued, we perform partnership or share-based accounting, as the case may be, to allocate income and expense items. In general, other than consulting with our Clients on expense accrual rates, we wholly calculate the NAV on a series by series (or class by class as the case may be) basis.

Does Conifer have a business continuity plan? Yes. We have in place a business continuity plan in the unlikely occurrence of an event that significantly disrupts our business. Our Plan addresses the following: data back up and recovery; mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our Clients prompt access to their funds and securities if we are unable to continue our business.

Why Conifer? Conifer is a boutique single-source provider that offers our Clients comprehensive middle and back office support, including but not limited to back office services and brokerage, fund administration and accounting, facilities support and maintenance, and compliance and regulatory guidance. We provide services concentrated in one relationship, relieving our Clients of the burden associated with sourcing and managing multiple service providers.