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This brochure ("Brochure") provides information about the qualifications and business practices of Grain Management, LLC ("Grain Management" or the "Advisor"). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Curtis Flippen, at 202.779.9043 or compliance@graingp.com. Information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Grain Management is also available on the SEC's website at www.adviserinfo.sec.gov. (click on the link, select "investment adviser firm" and type in our firm name). The search results will provide you with both Part 1 of our Form ADV as well as this Brochure, which is Part 2A of our Form ADV.

Grain Management is registered with the SEC as an investment adviser. Registration with the SEC as an investment adviser does not imply that Grain Management or any of the principals or employees of Grain Management possess a particular level of skill or training in the investment advisory business or any other business.

Item 2 – Material Changes

This item is intended to provide material changes from the last filing of the Brochure as of March 17, 2018. There are no material changes to report to this item.

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Item 4 – Advisory Business

Grain Management, LLC, a Delaware limited liability company, is a registered investment adviser under the Advisers Act. The Advisor provides investment advisory services to Grain Communications Opportunity Fund II, L.P. (together with its parallel funds and any alternative investment vehicles, the “Fund”). The Fund is a private pooled investment vehicle and its investment objective includes making direct acquisition of fiber-optic communications network, radio frequency spectrum licenses, cell towers, ancillary systems and/or other communications assets (collectively, “Communications Assets”), and structured equity investments in companies that own or operate Communications Assets. Grain GP IV, LLC, a Delaware limited liability company, is the general partner for the Fund (the “General Partner”).

Grain Management also raised and managed three pooled asset acquisition vehicles, Grain Infrastructure Fund, L.P. (together with its subsidiaries, collectively “GIF I”), Grain Infrastructure Fund II, L.P. (together with its subsidiaries, collectively, “GIF II”) and Grain Communications Opportunity Fund, L.P. (together with its subsidiaries, collectively, “GCOF”). GIF I has been fully liquidated and dissolved. Grain GP II, LLC, a Delaware limited liability company, is the general partner for GIF II and Grain GP III, LLC, a Delaware limited liability company, is the general partner for GCOF. Grain also manages two proprietary investment vehicles, Grain Spectrum Holdings, LLC (together with its subsidiaries, collectively, “GSH I”) and Grain Spectrum Holdings II, LLC (together with its subsidiaries, collectively, “GSH II”). GIF I, GIF II, GCOF, GSH I and GSH II (the “Other Investment Vehicles”) made or make investments primarily in hard assets such as communication towers or radio frequency spectrum licenses and related telecommunications infrastructure and systems. Given the nature of the investments made by the Other Investment Vehicles, Grain Management believes that the Other Investment Vehicles are not considered “clients” for the purposes of this Form ADV, and, therefore, the assets of the Other Investment Vehicles managed by Grain Management are not included in the calculation of Grain Management’s regulatory assets under management (“RAUM”). As of March 31, 2018, the four remaining Other Investment Vehicles have in the aggregate invested \$566.7 million of capital and have returned a total of \$150.6 million to the investors in such vehicles.

Grain Management was formed by David Grain in 2010.¹ The Advisor is wholly owned by Grain Capital, LLC (“Grain Capital”). David Grain owns 99% of the interest in Grain Capital and Grain Investment Holdings, LLC owns 1%. Grain Investment Holdings, LLC is wholly owned by Mr. Grain. The Advisor is led by its Managing Directors: Mr. Grain, Founder and

¹ Prior to the formation of Grain Management, LLC, Mr. Grain conducted investment activities through Grain Communications Group, Inc., an operating company founded by Mr. Grain in 2007.

Chief Executive Officer; Michael McKenzie; Chad Crank; and Paul Licursi, Chief Financial Officer. All four managing directors have significant experience in sourcing, evaluating, structuring, capitalizing, and negotiating acquisitions and divestitures in the communications industry.

The Advisor provides investment advice limited to the selection of investments in Communications Assets and structured equity positions in portfolio companies that own Communications Assets in accordance with the Fund's specific investment objectives and restrictions as set forth in the Fund's confidential private placement memorandum, limited partnership agreements and other governing documents (collectively, the "Governing Documents").

Grain Management provides all back- and middle-office management services to the Fund pursuant to management agreements between Grain Management and the Fund.

The Advisor does not participate in any wrap fee programs.

As of August 17, 2018, the Advisor has \$207,865,015 in RAUM that it manages on a discretionary basis.

Item 5 – Fees and Compensation

Management Fees

Management fees (“Management Fees”) for the Fund are calculated as follows:

The standard management fee schedule is a fixed percentage per year of total capital commitments (“TCC”) until the earlier of the end of the Investment Period (as defined in the Fund’s Governing Documents) and the date on which a successor fund first charges a management fee. Thereafter, the fee is a fixed percentage of the actively invested capital, subject to the terms in the Governing Documents of the Fund.

Management Fees are paid to the Advisor on a quarterly basis on the first business day of each fiscal quarter in advance. Management Fees are pro-rated for periods of less than one quarter. Management Fees may be paid out of current income and disposition of proceeds of the Fund, and, to the extent necessary, from drawdowns which will reduce the unfunded capital commitments of the Fund’s limited partners. Distributions up to any amount drawn down from capital commitments to pay Management Fees may, at the discretion of the General Partner, be added to the unfunded capital commitments and be subject to recall and reinvestment.

The Management Fees include all costs incurred by the Advisor in providing investment advisory services to the Fund. In addition to the Management Fees paid to the Advisor, the Fund also pays certain expenses relating to the formation and operation of the Fund, certain legal, reporting and travel expenses, and other expenses incurred by the Advisor in connection with providing investment advisory services to the Fund as more fully provided in the Fund’s Governing Documents.

Other Fees Earned by Grain Management

The Management Fees otherwise payable to the Advisor will be reduced (but not below zero) by an amount equal to the Fund’s proportionate share of 100% of the amount of any fees paid to the Advisor and/or its affiliates in connection with the consummation, disposition or termination of an investment attributable to the Fund and/or any fees received from a portfolio company, such as break-up fees, portfolio company management fees, directors’ fees, monitoring fees (including any accelerated or early termination monitoring fees), and similar fees, in each case, net of any expenses incurred by the Fund, the General Partner or their respective affiliates related to such transactions, as described more specifically in the Governing Documents (such fees, collectively, “Other Fees”).

Placement Fees

Organizational Expenses do not include placement fees payable by the Advisor or its affiliates to placement agents employed in connection with the offering and sale of limited

partner interests in the Fund ("Placement Fees"). The Fund will be responsible for all Placement Fees; provided, however, that 100% of Placement Fees will reduce the Management Fees otherwise payable by the investors, as more fully described in the Fund's Governing Documents.

Make-up Management Fees

Investors who invest post initial closing are charged a make-up management fee equal to the amount that would have been paid if they had invested on the initial closing date, plus an interest at the rate of 8% per annum.

Operating Expenses

In addition to the Management Fees and Carried Interest (as defined below), the Fund will pay or reimburse the General Partner or the Advisor for all expenses attributable to the activities and investments of the Fund (collectively, "Operating Expenses"), including, without limitation: (i) any and all fees, costs and expenses incurred in connection with the discovery, investigation, evaluation, acquisition, holding, monitoring, construction, operation, leasing, financing or disposition of investments (whether or not consummated), including private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, transfer agent fees, clearing, settlement and bank charges, investment sourcing database licenses and fees, mobile device and conference call service fees, costs and expenses, travel and travel-related expenses (including transportation, meal, entertainment and lodging expenses and which may include travel by way of non-commercial aircraft at rates not in excess of customary charter rates), and legal, accounting, investment banking, advisory, consulting, information services and professional fees (which, for the avoidance of doubt, (A) may include third-party operating consultants and other consultants, industry executives and subject matter experts who are not employees of the Advisor or its affiliates, and (B) with respect to due diligence, acquisition integration and operations, construction management and leasing or sales, may include employees of the Advisor or its affiliates); (ii) any costs and expenses incurred in connection with the carrying or management of investments, including custodial, trustee, actuarial, depository, transfer agent, accounting, record keeping and other administration fees and expenses, as well as portfolio accounting and reporting system licenses and fees and performance management system licenses fees and expenses; (iii) any fees, costs and expenses incurred in connection with the Fund's financial statements and reports, tax returns, Schedules K-1 and other communications with investors (including the costs of creating, printing and distributing such financial statements and reports, tax returns, Schedules K-1 and other communications), including expenses incurred in connection with providing the investors access to a database or other forum hosted on a website designated by the Fund, and costs and expenses with respect to the representation by the "partnership representative" of the Fund and the investors; (iv) any and all fees and disbursements of attorneys, accountants and fund administrators relating to Fund matters; (v) any and all entity-level taxes, fees and other governmental or

similar charges that may be incurred or payable by the Fund; (vi) any insurance premiums or expenses and brokers' fees and commissions incurred by the Fund in connection with the activities of the Fund, including errors, omissions, fidelity, general partner liability, fiduciary, directors' and officers' liability, employment practices liability, contingent liability, cybersecurity liability, and similar coverage for any protected persons acting on behalf of the Fund or any related entities; (vii) regulatory expenses, including regulatory expenses of the General Partner and the Advisor, to the extent incurred in connection with the activities of the Fund, and expenses related to the preparation and filing of Form PF and other similar regulatory filings (if applicable), any compliance or filings related to the European Alternative Investment Fund Managers Directive, expenses related to complying with the reporting requirements of FATCA (as defined in the Partnership Agreements) and expenses related to compliance with and filings under other applicable laws, rules, and regulations (but, for the avoidance of doubt, any costs and expenses related to the registration of the Advisor as a registered investment adviser under the Advisers Act, and the preparation or filing of its Form ADV or any amendments thereto are not covered by this clause (vii)); (viii) any fees, costs and expenses, including damages or settlement amounts, incurred in connection with any pending or threatened litigation or governmental authority inquiry, investigation or proceeding involving or otherwise applicable to the Fund, the General Partner, the Advisor or any of the Fund's investors in connection with the activities of the Fund or any of its portfolio companies, including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreements; (ix) any and all expenses relating to defaults by partners in the payment of any capital contributions; (x) any and all expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund; (xi) any and all expenses incurred in connection with any valuation of the assets of the Fund; (xii) expenses incurred in connection with the formation and maintenance of alternative investment vehicles to the extent permitted under the Partnership Agreements and expenses in connection with raising and putting in place co-investment vehicles for effectuating an investment, to the extent not borne by the applicable co-investors; (xiii) any and all expenses incurred in connection with distributions to the partners; (xiv) any and all expenses incurred in connection with any meetings of partners or the advisory board (including travel (at regular commercial rates), meal and lodging expenses incurred in connection with attending such meetings); (xv) any indemnification obligations of the Fund; (xvi) any principal of, interest on, and fees and expenses arising out of, the Fund's borrowings and indebtedness (including the fees, costs, and expenses incurred in obtaining lines of credit, loan commitments, and letters of credit for the account of the Fund and in guaranteeing the obligations of any portfolio companies or their affiliates); (xvii) Management Fees; (xviii) any and all expenses incurred in connection with compliance with side letters and "most favored nations" processes; (xix) any and all

expenses incurred in connection with the dissolution, winding up or termination of the Fund; (xx) any and all costs and expenses incurred in connection with pre-construction, construction, due diligence, maintenance, upgrades, repairs and remediation work relating to investments; (xxi) any and all fees, expenses and disbursements of vendors, attorneys and other professionals, including the Advisor, engaged to assist in the debt collection process; and (xxii) technology-related expenses, including costs and expenses of technology service providers and related software and market data and research utilized in connection with the Fund's investments and operational activities.

The amounts referred to in clauses (i), (iv), (xx) and (xxi), to the extent they relate to consummated Investments, are referred to herein as "Investment Expenses." To the extent that any parallel fund, any alternative investment vehicle or any other fund or investment vehicle is participating in an investment or potential investment, any and all Investment Expenses not paid by a portfolio company or other person shall be borne by the Fund, the parallel fund, the alternative investment vehicle or any other fund or investment vehicle to the extent applicable, *pro rata* to the amount of funds to be invested by each of the foregoing in such investment; provided, however, that any costs and expenses incurred that arise out of any specific issues or the specific situation of any parallel fund or alternative investment vehicle that the General Partner determines should not be considered an Investment Expense shall be borne solely by such entity.

Organizational Expenses

The Fund will be responsible for all legal, accounting, filing and other out-of-pocket expenses of organizing and raising capital ("Organizational Expenses"). Organizational Expenses of the Fund include, without limitation, fees and expenses of counsel to, accountants for and agents of the Fund, the General Partner and the Manager, travel and travel-related expenses (including transportation, meal, business entertainment and lodging expenses and which may include travel by way of non-commercial aircraft at rates not in excess of customary charter rates) of personnel of the Manager and its advisors, and other expenses, in each case, incurred in connection with the formation of the Fund and related entities, the preparation of the Partnership Agreements, compliance with applicable laws or regulations and the offering of limited partner interests in the Fund. Organizational Expenses do not include any expenses related to complying with side letters or most favored nations processes associated with side letters.

Organizational Expenses above a certain threshold will be offset against the Management Fees otherwise payable by the Fund, as described more specifically in the Governing Documents.

The General Partner may, in its discretion, call capital for the expenses described above or pay them out of current income and disposition proceeds of the Fund. At the discretion of the General Partner, any amount drawn down from unfunded capital commitments to pay Organizational Expenses and Operating Expenses may, to the extent a Fund's partners

receive distributions, be added to the unfunded capital commitments and be subject to recall or reinvestment.

Other Fees Charged to the Fund

The Fund, any subsidiary of the Fund, any portfolio company and any alternative investment vehicle may enter into asset management, development management, construction management, maintenance, leasing, servicing or other service or similar agreements or arrangements with the principal, the General Partner, the Advisor or any of their respective employees or affiliates pursuant to which fees or other compensation (including reimbursement of expenses), and allocations of the Advisor's overhead (collectively, "Service Fees") may be payable by the Fund. Such Service Fees are not included in the Other Fees and, therefore, do not offset Management Fees. All such agreements or arrangements shall be no less favorable to the Fund, its subsidiaries, portfolio company or alternative investment vehicle, as the case may be, than those that could have been obtained for comparable products or services from an unaffiliated third party with similar expertise and experience and, in any event, such agreements and arrangements, and the Service Fees payable thereunder, shall require the prior approval of the advisory board.

If the Fund invests in tower assets, the Fund may pay sales, lease or similar commissions for acquisition of the land beneath the towers to the Advisor's employees for activities that enhance the profitability of the investments. Such sales, lease or similar commissions are not included in the Other Fees and, therefore, do not offset Management Fees. Under the Governing Documents, the prior approval of the advisory board is required for the Fund's payment of such sales, lease or similar commissions, and the Fund is required to notify the advisory board after the end of each fiscal year of all sales, lease or similar commissions paid during the fiscal year. Further information about the Management Fees, Other Fees and other fees and expenses charged by the Advisor can be found in the Fund's Governing Documents.

In addition to the full-time investment professionals of Grain Management, the Fund and its subsidiaries, portfolio companies or alternative investment vehicles may engage the services of certain advisors to provide strategic and operational consulting services. The advisors are not employees of Grain Management or any of its affiliates. Grain Management seeks to allocate the compensation of such individual in a manner it deems fair and reasonable and that reflects the work such advisors perform for the various portfolio companies, for the Fund, and for Grain Management, as applicable.

Co-Investment Fees

In certain cases, the Advisor may manage a co-investment along with the Fund's investment. In this case the Advisor may receive co-investment management fees charged to co-investors on the capital invested in the co-investment opportunity. Co-investment management fees

are not necessarily identical to those of the Fund's and co-investment may not charge carry or other performance-based compensation.

Performance-Based Compensation

The General Partners also receive a performance-based fee which is more fully described in Item 6.

Side Letter Arrangements

In accordance with common industry practice, the Advisor has and may continue to enter into "side letters" with some investors for fees that deviate from the standard fees as set forth in the Fund's Governing Documents.

Certain Grain Management-Related Investment Vehicle

Grain Management's investment professionals, employees and related persons may invest in parallel funds through a parallel investment vehicle. At Grain Management's sole discretion, such persons may not be required to pay Management Fees and/or Carried Interest on their investment.

Item 6 – Performance-Based Fees and Side-By-Side Management

As described in Item 5, Management Fees are based on a fixed percentage of TCC or actively invested capital subject to the terms in the Governing Documents of the Fund. The General Partner also receives performance-based fees from the Fund. The General Partner receives a portion of “catch-up” preferred return and a set percentage of the net distributions of the Fund after the investors receive a return of their investment plus a preferred return that has been earned. The set percentage is typically referred to as “Carried Interest”. However, the Advisor’s indirect owner, certain key executives and certain employees and/or advisors also participate in the Carried Interest of the General Partner.

The possibility exists that multiple Fund or investment vehicles may have capital available for investment at the same time and that a prospective investment or a follow-on investment may fit within the investment mandate of more than one Fund or investment vehicle. In such case, Grain Management will allocate the opportunity, including any related co-investment opportunities in accordance with methodology set forth in the applicable Fund’s or investment vehicle’s governing documents and Grain Management’s policies and procedures. In cases where the Fund’s or the investment vehicle’s governing documents do not specifically address allocations, Grain Management will make the allocation determination in its sole discretion, but may discuss the allocation with the applicable Fund’s or investment vehicle’s advisory boards.

Subject in all cases, to the provisions of the Fund’s Governing Documents, the Advisor may offer co-investment opportunities pursuant to which the Advisor may, to the extent it believes in its sole discretion that it is appropriate to do so, offer a limited partner in the Fund or any third party the opportunity to co-invest in a transaction in which the Fund has made, or will make, an investment; provided, that, unless the advisory board otherwise approves: (1)(x) any such co-investment by a limited partner in the Fund will be made on the same terms and conditions on which such investment is to be made by the Fund, and (y) any such co-investment by a limited partner shall be made at the same time and disposed of at the same time and on the same terms and conditions as the Fund disposes of such investment, and (2) all co-investors in any co-investment opportunity with the Fund shall be required to bear their *pro rata* share of any expenses or liabilities related to any such co-investment, *pro rata* based on the amount of funds invested by each of the foregoing in such co-investment. Grain Management or any of its affiliates may (or may not) in their discretion charge performance-based carried interest, management fees or other similar fees to co-investors.

You should be aware that performance-based compensation could create an incentive for

the Advisor to make investments that are riskier or more speculative than would be the case in the absence of such arrangement. The Advisor believes that its extensive due diligence process, as well as the investment limitations requiring approval by the applicable Fund's or investment vehicle's advisory boards, should mitigate this potential conflict.

Item 7 – Types of Clients

The Advisor provides discretionary investment advisory and management services to the Fund and/or its subsidiaries directly, subject to the direction and control of the General Partner and not individually to the limited partners in the Fund. Investors in the Fund may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

The Fund invests in a portfolio of Communications Assets and structured equity positions in companies that own or operate such Communications Assets. Each investment undergoes a rigorous due diligence process by the Advisor prior to selection. After an investment is made, the Advisor engages in active portfolio management and monitoring, including tracking performance and general oversight.

Risk of Loss

The Advisor's investment strategy and method of analysis involve the risk of loss that the Fund and its limited partners should be prepared to bear, including, but not limited to, the following:

Lack of Operating History. The Fund has recently been organized to make investments primarily in fiber-optic communications networks, radio frequency spectrum licenses, cell towers, ancillary systems and other Communications Assets, and structured equity investments in companies that own or operate such Communications Assets. The Fund has not, as of the date of this Brochure, made any such investments. The Fund is a newly organized entity and has no prior operating history or track record. The General Partner was formed expressly for the purpose of acting as the general partner of the Fund. Accordingly, the Fund has no operating history and no basis upon which an evaluation of its prospects can be made.

No Assurance of Investment Return. The Fund's task of identifying and evaluating investment opportunities, managing such investments and realizing a significant return for investors is difficult. There is no assurance that the Fund will be able to invest its capital on attractive terms or generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of assets described herein. Investors in the Fund could experience losses on their investment. There can be no assurance that the Fund's investment objectives will be achieved or that there will be any return of capital. Therefore, an investor should only invest in the Fund if the investor can withstand a total loss of its investment. The past investment performance of the entities with which Mr. Grain has been associated cannot be taken to guarantee future results of any investment in the Fund.

Operational Risks. Neither the Fund nor its companies that own but do not operate Communications Assets will have any employees of their own and hence will be dependent on Grain Management or its affiliates for the conduct of their operations. It is anticipated that all Communications Assets owned but not operated by the operating companies will be

managed by Grain Management or its affiliates. Grain Management or its affiliates will be responsible for ensuring maintenance be carried out in a timely fashion, carrying out the landlord's responsibilities under the tenant leases and marketing the communications facilities. Management errors may adversely affect the revenue generated by the communications facilities.

The management of communications facilities requires special skills and particularized knowledge. If Grain Management or its affiliates are for any reason unable to continue to manage the communications facilities on behalf of the Fund, there may be substantial delays in engaging a replacement manager with the requisite skills and experience to manage the communications facilities. There can be no assurance that a qualified replacement manager could be located or engaged in a timely fashion or on economic terms. Grain Management's or its affiliates' performance will depend to a significant degree upon the continued contributions of key management, investment, engineering, sales and marketing, customer support, legal and finance personnel, some of whom may be difficult to replace. No assurance can be given that the services of such personnel will continue to be available to Grain Management or its affiliates.

Investments Outside the United States and Canada. While the General Partner intends to focus on investments in North America, the Fund may make investments elsewhere. Investing outside the U.S. and Canada may involve greater risks. The value of the Fund's investments outside the U.S. and Canada may be significantly affected by changes in currency exchange rates, which may be volatile. The General Partner may attempt to hedge against foreign currency exchange rate risks and such hedges may cause significant risks of loss independent of the results of the underlying investments.

Additional risks include: (i) the imposition or modification of foreign exchange controls; (ii) the unpredictability of international trade patterns; (iii) differences between U.S. and non-U.S. markets, including potential price volatility in, and relative illiquidity of, some non-U.S. markets; (iv) the absence of uniform accounting, auditing, and financial reporting standards, practices, and disclosure requirements, and less government supervision and regulation across some countries; (v) economic, social, and political risks, including restrictions on non-U.S. investment and repatriation of income and capital, the risks of economic, social, and political instability (including the risk of war, terrorism, social unrest, or conflicts) and the possibility of nationalization, confiscatory taxation, or expropriation of assets; (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such foreign investments in addition to U.S. taxes, such as transfer pricing and taxation of overseas income; (vii) different bankruptcy laws and customs; (viii) less publicly available information; (ix) greater difficulty of enforcing legal rights; and (x) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors.

Investments in Emerging Markets. While the General Partner intends to focus on investments in North America, the Fund will be permitted to make investments in emerging markets throughout the world. Investing in emerging markets involves risks and special considerations not typically associated with investing in more established economies or markets including, among other things: (i) higher dependence on exports and the corresponding importance of international trade; (ii) greater risk of inflation; (iii) inability to exchange local currencies for U.S. dollars; (iv) increased likelihood of governmental involvement in and control over the economy; (v) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (vi) less developed compliance culture; (vii) risks associated with differing cultural expectations and norms regarding business practices; (viii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (ix) less developed, reliable, or independent judiciary systems for the enforcement of contracts or claims; (x) greater regulatory uncertainty; (xi) maintenance of the Fund's investments with non-U.S. brokers and securities depositories; (xii) greater risks regarding repatriation of income and capital; and (xiii) threats or incidents of corruption or fraud, all of which may adversely affect the return on the Fund's investments.

Limited Availability of Information for Non-U.S. Transactions; Due Diligence. The Fund may make investments outside the U.S. The availability of information on companies or assets, including financial information, may be more limited in non-U.S. jurisdictions. Public filings in non-U.S. jurisdictions contain less information than their counterparts in the U.S. and accounting, auditing and financial reporting standards and practices in countries outside the U.S. differ in certain respects from those employed in the U.S. Moreover, in non-U.S. jurisdictions there is less experience with the kind of extensive legal and business due diligence that is typically conducted in the U.S. and as a result, it may be difficult to conduct the level of due diligence customarily found in transactions in the U.S. The lack of available information may affect the due diligence investigations undertaken prior to the Fund making an investment.

U.S. Dollar Denomination of Interests. The Fund's investments that are denominated in non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including, without limitation, the U.S. dollar, the currency in which the books of the Fund are kept and contributions and distributions generally will be made. Non-U.S. prospective investors should note that the interests are denominated in U.S. dollars. Prospective investors subscribing for the interests in any country in which U.S. dollars are not the local currency should note that changes in the value of foreign exchange between the U.S. dollar and such currency may have an adverse effect on the value, price, or income of the investment to such prospective investors.

Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities. The Fund may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies.

Further, the Fund may have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management. Similarly, the Fund may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. In such cases, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Moreover, in the case where the Fund may co-invest, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action contrary to the Fund's interests or goals. In addition, the Fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-venturers. Although the Fund may not have control over these investments and, therefore, may have a limited ability to protect its position therein, the Fund generally expects that appropriate minority investor rights will be obtained to protect its interests to the extent possible. However, there can be no assurance that such minority investor rights will be available, or that such rights will provide sufficient protection of the Fund's interests.

Investments in Less Established Companies. The Fund may invest in less established companies, or early stage companies. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies. For instance, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early stage companies often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early stage company. There is no assurance that the development efforts of any such early stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including institutional private placements or the public markets. The percentage of early stage companies that survive and prosper tends to be small. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by the Fund, securities of less established companies may be subject to more abrupt and erratic market

price movements than those of larger, more established companies.

In addition to investing in less established or early stage companies, the Fund may actively engage in forming new businesses. Unlike investing in an existing company where start-up risks are generally shared with third parties who also have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where the Fund forms a new business, all such risks are generally borne by the Fund. In addition, newly formed businesses face risks similar to those affecting less established or early stage companies as described above and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved and there is no assurance that such new business ventures will become successful.

Some of the investments expected to be made by the Fund should be considered highly speculative and may result in the loss of the Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments.

Middle-Market Companies. Investments in middle-market companies may entail more risks than are customarily associated with investments in larger companies. Middle market companies often have more limited product lines, smaller marketing, research and development budgets, fewer customers and more limited financial resources, own fewer number of assets or assets of lower quality or value, or provide more limited services than larger companies. Middle market companies may be more dependent on a smaller and less experienced management group than larger companies. They may also have a higher concentration of sales with a smaller number of customers. As a result, such middle market companies may be more vulnerable to general economic trends, competition, and changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle market companies, could make it difficult for the Fund to respond effectively to negative economic or political developments.

Debt Investments in Portfolio Companies. The Fund may, in certain circumstances, make investments in debt instruments or convertible debt securities. Such investment may be made in connection with investments in equity or equity-related securities or may make debt investments that have an expected return comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and

yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. The Fund may invest in debt or convertible debt securities with the intent to achieve control or to obtain a non-controlling equity stake.

Investments in Restructurings or Underperforming Companies. The Fund may make investments in companies that are experiencing or are expected to experience financial difficulties, which such companies may never overcome. Such investments could, in certain circumstances, subject the Fund to additional potential liabilities, which may exceed the value of the Fund's original investment therein. There are a number of significant risks arising out of investments in companies involved in bankruptcy proceedings, including the following: First, many events in a bankruptcy are the product of contested matters and adversary proceedings that are beyond the control of the creditors. Second, a bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees or otherwise become incapable of emerging from bankruptcy and restoring itself as a viable entity. Further, if the bankruptcy proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. Third, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investments can be adversely affected by delays while a plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until such time as such plan ultimately becomes effective. Fourth, in certain jurisdictions, the administrative costs incurred in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Fifth, in certain jurisdictions, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, particularly in the case of investments made prior to the commencement of bankruptcy proceedings. Sixth, certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors. Seventh, if the Fund seeks representation on creditors' committees, it may owe certain obligations generally to all similarly situated creditors that the committee represents and it may be subject to various trading or confidentiality restrictions. As the Fund will indemnify any person serving on a committee or the board of directors on its behalf for claims arising from breaches of those obligations, indemnification obligations could adversely affect the return on any investment related to a reorganization. Certain non-U.S. jurisdictions may present different risks.

Follow-On Investments. The Fund may be required to make follow-up funding for, or otherwise increase its investment in, its portfolio companies or other investments. This may occur under circumstances in which a portfolio company is performing poorly, in which case the follow-on investment may be riskier than the initial investment in the portfolio company, or when a portfolio company is performing well and needs growth capital. There can be no assurance that the Fund will want to make such investments or that the Fund will have sufficient funds to do so. Any decision not to make such investments or the inability to make

such investments could potentially have a substantial negative impact on an investment in certain assets or a portfolio company in need of such an investment or may diminish the Fund's ability to maintain a control position and/or otherwise influence the portfolio company's future development. Moreover, to the extent that the Fund does not make such investments in a portfolio company, such portfolio company may seek capital from other investors who could rank senior to, and/or cause the dilution of, the Fund's investment in such portfolio company.

Disclosure of Confidential Fund and Investor Information. The investors are expected to include persons and entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly to regulators or otherwise. To the extent that the General Partner determines in good faith that, as a result of such public records or similar laws, an investor or any of its affiliates or agents may be required to disclose information relating to the Fund, its affiliates and/or any portfolio company (other than information the General Partner has previously consented, in writing, that the investor may disclose), the General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor (other than certain basic capital account information). Confidential Fund information may also become subject to public disclosure or regulatory disclosure due to the relationship between the Fund and a public entity. Moreover, in order to comply with regulations and policies to which the Fund, the General Partner, any portfolio company of the Fund or any of their respective service providers (including financial institutions) are or may become subject to or to satisfy regulatory or other requirements in connection with transactions and/or the acquisition or holding of Federal Communications Commission ("FCC") licenses, the General Partner, or one or more portfolio companies may be required to disclose information about the investors, including their identities.

Cybersecurity. The Fund, the General Partner, Grain Management, their affiliates and their service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the Fund or investors, without limitation, by interfering with the processing of transactions, affecting the Fund's ability to conduct valuations or impeding or sabotaging trading.

The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Fund, the General Partner and Grain Management (which, in turn, may be indemnified by the Fund) to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for portfolio companies, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Fund's investment in such portfolio companies to lose value.

General Nature of the Fund's Investments. A portion of the Fund's investments may be in equity or equity-related investments (including equity investments in private companies), which by their nature involve business, financial, market and/or legal risks that can result in partial or total loss. There can be no assurance that the Fund will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices and market movements of the Fund's investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of the Fund's investments. As a result, the Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Illiquidity of Investments. An investment in the Fund requires a long-term commitment with no certainty of return. Although the Fund's investments are expected to generate current cash flow, many of the Fund's investments will be illiquid, and there can be no assurance that the Fund will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy with respect to any investment. The ability of the Fund to achieve successful and profitable exits of its portfolio investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time the Fund seeks a realization. Additionally, the Fund may acquire securities that cannot be sold, unless the issuer has consummated a public offering of its securities and such offered securities are registered under applicable securities laws, unless an exemption from such registration requirements is available. It is unlikely that there will be a public market for the securities held by the Fund at the time of their acquisition. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. The possibility of partial or total loss of capital will exist, and prospective

investors should not invest unless they can bear the consequences of such loss.

Investments Longer than Term. The Fund may invest in investments that may not be advantageously disposed of prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the General Partner expects that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Financial Leverage. The Fund may maintain financial leverage within its portfolio companies or other investments, and may re-leverage an investment in order to achieve this goal. Such leverage may be substantial. Utilization of leverage will result in fees, expenses and interest costs to the Fund. If the Fund is unable to refinance a portfolio company or an investment in order to maintain the desired amount of financial leverage, the Fund may realize lower than expected returns from the relevant investment and may hold a larger than expected equity investment in that investment. Although the General Partner and Grain Management will seek to use financial leverage in a manner that they believe to be appropriate, the leveraged capital structure of such portfolio companies and investments may significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy, changes in commodity prices or deterioration in the condition of such portfolio companies or investments or their respective industries. If a portfolio company or an investment cannot generate adequate cash flow to meet debt obligations, for example, the Fund may suffer a partial or total loss of capital invested in the portfolio company or other investments.

The instruments and borrowing utilized by the Fund to leverage investments may be collateralized by any assets of the Fund (and may be cross-collateralized with the assets of any parallel funds or any alternative investment vehicles of the Fund or with the assets of any other Grain investment vehicles or the Fund's portfolio companies, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such instruments and borrowings). The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. The Fund's assets, including any investments made by the Fund and any capital held by the Fund, may be available to satisfy all liabilities and other obligations of the Fund. If the Fund or a portfolio company defaults on secured indebtedness, for example, the lender may foreclose and the Fund could lose its entire investment in the security for such loan. If the Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and will not be limited to any particular asset, such as the investment giving rise to the liability. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Fund or when due for refinancing such that the Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized. Borrowings may be secured by assignment of the obligations of the investors to

make capital contributions to the Fund and a security interest in investments. The inability of the Fund to repay borrowings under a credit facility secured by the capital commitments of investors could enable a lender to take action against any investor to the extent of its then remaining capital commitment in the Fund. Tax-exempt investors should note that the use of leverage by the Fund may create “unrelated business taxable income” (“UBTI”).

Securitization Risk. The Fund may use various financing structures, including, but not limited to, securitizations. Securitizations may occur at the portfolio company level, in connection with the acquisition of an investment, or in other scenarios. For example, if the Fund enters into leases of any of its assets, the Fund may securitize the leases so as to return capital to its investors. The performance of a securitized investment will be affected by a variety of factors, including the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying assets that are being securitized, the remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. There can be no assurance that any securitization of investments can be completed at all, or on terms favorable to or acceptable to the Fund.

Expedited Transactions. In many cases, investment analyses and decisions by the General Partner and Grain Management may be undertaken on an expedited basis in order for the Fund to take advantage of available investment opportunities or meet auction deadlines. In such cases, the information available to the General Partner and Grain Management at the time of an investment decision may be limited, and the General Partner and Grain Management may not have access to the detailed information necessary for a full evaluation of the investment opportunity. Further, the Fund may conduct its due diligence activities in a very brief period (with limited or incomplete information) and may assume the risks of obtaining certain consents or waivers under contractual obligations. In such circumstances, the Fund may not be able to complete all of the formal or substantive steps of its five phase investment process.

Investment Expenses / Broken Deal Expenses. The Fund’s investments will require extensive due diligence, legal and other costs prior to their consummation and may be subject to broken deal expenses if they are not consummated. The Fund will pay any fees, costs and expenses incurred in developing, investigating, negotiating or structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated. Additionally, the Fund may enter into agreements that involve payments, such as reverse break-up fees, by the Fund if it does not consummate the transaction. These expenses can be significant and may be material to the Fund. The Fund may incur significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

Portfolio Concentration. Diversification is not an objective of the Fund. If the Fund’s investments are concentrated in a few classes of investments or assets, or in a few portfolio

companies, any adverse change in one or more of such investments or asset classes or portfolio companies could have a material adverse effect on the Fund. Therefore, while this portfolio concentration may enhance total returns to investors, if any large position in a segment of the portfolio has a material loss, then returns to the investors may be lower than if they had invested in a well-diversified portfolio.

Operating and Financial Risks of Portfolio Companies. Any one portfolio company and/or one or more of the businesses that such portfolio company acquires or that is integrated with the business and operation of such portfolio company could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, business that may have been expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Fund's investment strategy and approach will depend, in part, on the ability of Grain Management and such portfolio company's management teams to make improvements in the operations of such portfolio company and businesses that such portfolio company acquires. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that Grain Management or such portfolio company's management team will be able to successfully identify and implement such operating improvements and capture synergies.

In addition, the Fund may cause such portfolio company to bear certain fees, costs and expenses that such portfolio company would not otherwise bear, including the fees, costs and expenses incurred in developing, investigating, negotiating, structuring or consummating the Fund's investments in such portfolio company. The payment of such fees, costs and expenses by such portfolio company may reduce the amount of cash that such portfolio company has on hand.

Integration of Acquisitions. The Fund or any one of its portfolio companies may acquire one or more companies with the intent of integrating the business and operations of such company into such portfolio company. The integration activities associated with any such acquisition are complex, and such portfolio company may encounter unexpected difficulties or incur unexpected costs as a consequence, including, without limitation: (i) the diversion of the attention of such portfolio company's management to integration matters; (ii) difficulties in the integration of the operations and systems of such portfolio company and such acquired companies; (iii) difficulties in the assimilation of the employees of such portfolio company and such acquired companies; and (iv) challenges in attracting and retaining key personnel of such portfolio company and such acquired companies. As a result, the management teams of Grain Management and any such portfolio company may be required to devote additional resources to integration activities that would otherwise be spent on additional investment activities that could benefit the Fund.

Reliance on Portfolio Company Management for Business Operations. Other than with regard to the operations of Communications Assets that are not operated by the operating companies, the day-to-day operations of a portfolio company will be the responsibility of such company's management team. There can be no assurance that an existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with Grain Management's strategy for such company. Management teams, including CEOs of the portfolio companies, may underperform or commit bad acts, and the cost of replacing them could be high.

Reliance on Portfolio Company Management for Regulatory, Compliance, and Legal Risks. Other than with regard to the operations of Communications Assets that are not operated by the operating companies, portfolio company management teams, and not Grain Management, will be responsible for managing regulatory, compliance, and legal risks at the portfolio companies, including, without limitation, tax, ERISA, pension, environmental, Foreign Corruption Practices Act, and jury verdict risks. Such risks and liabilities could result in substantial costs to a portfolio company or even cause bankruptcy.

Uncertainty of Financial Projections. Numerous material investment decisions will be based upon projections of operating results for portfolio companies, including, without limitation, capital expenditure, leverage levels, purchase price, valuations, and exit pricing. Projected operating results will normally be based primarily on management judgments and, in many cases, on due diligence information provided by sellers that may not be verifiable. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. Projections are subject to a wide range of risks and uncertainties, however, and there can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management or prior owners of portfolio companies in which the Fund invests may undermine Grain Management's due diligence efforts with respect to such companies and, if such fraud is discovered, may have a material negative effect on the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact the Fund. In the event of fraud by any portfolio company in which the Fund invests, the Fund may suffer a partial or total loss of its capital investment in that company.

Control Position Risk. The Fund may make investments that allow the Fund to acquire control or exercise influence over management and the strategic direction of a portfolio investment as described in this Brochure. The exercise of control over a company imposes additional risks of liability for a wide range of potential liabilities, including, without limitation, environmental damage, regulatory investigations, product defects, pension liabilities, and failure to supervise management. The exercise of control over a portfolio investment could expose the assets of the Fund to claims by the portfolio companies

underlying such investment, their security holders, and their creditors. The possibility of successful claims, either directly against the Fund or resulting from indemnification obligations, and loss of capital cannot be precluded. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company and, in certain cases, the Fund itself. Additionally, the Fund will generally indemnify the General Partner and Grain Management from such claims and, as a result, will be indirectly exposed to any such liability incurred by the General Partner or Grain Management.

Board Participation. The members, employees or other related persons of the General Partner or Grain Management or any of their respective affiliates may serve as directors of certain portfolio companies and, as such, may have duties to persons other than the Fund. Such positions may have the effect of impairing the General Partner's ability to sell certain securities when, and upon the terms, it may otherwise desire, and may subject the General Partner, Grain Management, and the Fund to claims they would not otherwise be subject to as an investor, including, without limitation, claims of breach of duty of loyalty, securities claims, and other director-related claims. The Fund will indemnify the General Partner and Grain Management and its members, employees or other related persons from such claims and, as a result, will be indirectly exposed to any such liability.

Bankruptcy of Portfolio Companies. The Fund may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Fund. There is also a risk that a court may subordinate the Fund's debt and/or equity investment to other creditors or require the Fund to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if the Fund has management rights in such portfolio company. Even after the end of bankruptcy proceedings there may remain contingent liabilities, which may involve disputes or litigation requiring payment to third parties.

Demand for Communications Services. For the Fund's investments to be successful, demand for communications services, and in particular for the specific Communications Assets involved in the investments, will need to increase. A reduction or failure of increase in demand for the Fund's specific Communications Assets or services, increased competition for additional customers or business partners, or any inability of the Fund's portfolio companies to attract additional customers, including government customers, could negatively impact the revenue on, and value of, the Fund's investments, and therefore the Fund's results.

Service provider revenue from the use of Communications Assets is based on a number of factors, including the level of demand by consumers for their services, which in turn can be affected by the financial condition and access to capital of those providers, the strategy of providers with respect to owning, leasing or sharing needed assets, and the characteristics of

each company's technology and geographic terrain, among other factors. Moreover, government agencies employ communications facilities and services based on their operational needs and directives passed to them by the relevant government authorities, which may change from time to time, both as to form and as to amount. Government use of communications facilities and networks is also dependent on the availability of funds through the budgetary process, which availability is constantly changing. Changes in consumer or government demand for the services associated with Fund investments could negatively impact the revenue on, and value of, the Fund's investments, and therefore the Fund's results.

Highly Concentrated Market. A large portion of the Fund's revenues may come from a relatively small number of potential customers for the Fund's Communications Assets or services. Consequently, in such a situation, if any of the Fund's customers or other business partners are unable or unwilling to perform their obligations under an agreement, or in the event of bankruptcy, insolvency, merger or consolidation of any of the customers or other partners, or a government customer's election to cease using certain Communications Assets or services due to a change in the project or the lack of appropriated or budgeted funds, the Fund's financial position could be significantly and negatively affected. In general, there are only a limited number of service providers and other customers in any given regional communications market and normally fewer in any given market who are potential customers or other business partners. The Fund's results will depend on the ability of portfolio companies to maintain and grow relationships and contracts with a small number of customers or partners in each market. If the Fund is unable to secure and maintain a minimum number of ongoing and growing relationships with customers and partners, the Fund's results of operation will be adversely affected.

The pool of potential buyers of assets or wholesale services may also be limited by the FCC's rules and policies on competition and concentration of communications assets. The FCC may limit the scope or combination of assets to which an entity may have access, if the FCC finds such limitation in the public interest. With respect to spectrum assets, the FCC employs a "spectrum screen" analysis to evaluate the mobile spectrum holdings of licensees and lessees of spectrum on a market-by-market basis. Broadcasters are subject to various limitations on the multiple or cross ownership of radio and television stations and their national audience reach, while proposed combinations in other communications sectors are generally reviewed by the FCC based on any potential harm to competition. Such FCC rules and policies may further limit the number of potential customers of Fund assets or services, or potential business partners, in a given market.

Industry Consolidation. Various service providers, which will be some of the Fund's competitors, customers or business partners, could enter into mergers, acquisitions or joint ventures with each other over time, as a result of, among other factors, limited Communications Assets for commercial use. Consolidation among these entities could reduce the size of the potential customer and partner base and have a negative impact on the

demand for the Fund's assets and services. In addition, consolidation among these entities could result in stronger competitors or duplicate networks, which could result in network rationalization and costs savings, and negatively impact the revenues from Fund assets and therefore the results of the Fund. Furthermore, regulatory developments have made consolidation in the communications industry easier and more likely.

Infrastructure Sharing. Communications service providers are, through joint ventures and other arrangements, sharing (or considering the sharing of) Communications Assets in ways that might adversely impact demand for the assets and services comprising the Fund's investments. For example, wireless service providers frequently enter into roaming agreements with competitors which allow them to utilize one another's wireless communications spectrum and facilities. Similarly satellite, broadcast, cable and fiber operators often enter into agreements with other operators for the joint use or sale of all or portions of their networks. In addition, at times, government systems utilize the communications infrastructure of other agencies or departments. Any of these activities could reduce demand for the Fund's assets and services from levels that would otherwise exist, or the ability of the Fund to attract additional customers and business partners.

Challenges to New Entry. There are a number of communications service providers currently offering services in the markets in which the Fund's investments will be made that have infrastructure in place and have been in operation for a number of years. Established service providers may require their customers to enter into long-term contracts, which may make it more difficult for new entrants to be successful in such markets. As these markets become more competitive, there may be additional costs in providing services to customers. The inability of new entrants to successfully compete in these markets could have an adverse effect on the pool of customers and other business partners.

New and Competing Technologies; New Entrants. The communications industry is evolving at a rapid pace, fueled by frequent efficiency gains with improved technology, new means of delivering consumer services, and an increasing supply of available spectrum allocated to wireless and satellite services. The traditional dividing lines among various services, whether local, long distance, voice, video or Internet are also blurring, subjecting each segment to increased competition. The media markets are also evolving rapidly, with competition for consumers and subscribers across various technological platforms and business models, including broadcast stations, the Internet, cable and satellite television, radio and newspaper. Over the past decade, cable television programming services, other emerging video distribution platforms such as streaming services, and the Internet have captured increasing market share, while aggregate viewership of the major broadcast television networks has declined. The increasing number of digital media options available on the Internet, through social networking tools and through mobile and other devices distributing news and other content, is expanding consumer choice significantly. Increased availability of spectrum and other assets and flexibility in regulations has supported such changes, and can be expected to do so in the future. New satellite networks, including those

using low-earth orbit or small satellites are also being deployed on a global basis. The Fund expects competition in the communications industry to intensify as existing competitors expand service offerings and new competitors enter the market, including through means the Fund cannot predict. The value of any Fund Investment may be adversely affected if prospective customers of the Fund's Communications Assets or services, or any portfolio companies themselves, are unable to respond to industry movement, including increased competition via new service delivery means, increased spectrum supply, and changes in regulation.

In addition, new technologies or services may develop that could place any of the Fund's Communications Assets at a competitive disadvantage and reduce the value of the assets. This could negatively impact any potential customer or partner's willingness to lease or acquire assets or subscribe to services and/or its ability to make payments, which in turn would negatively impact the returns of the Fund. For example, technological developments are making it possible for service providers to expand or extend their use of existing spectrum, satellite and other communications facilities. Technologies that increase throughput from spectrum, fiber or satellites, such as multiplexing and compression, or signal combining and related technologies; technologies that enhance spectral capacity, such as beam forming or "smart antennas," or that increase available capacity through spectrum sharing or reuse; or technologies that increase the operational life of satellites, such as through in-orbit refueling or other means, all could reduce the demand for the Fund's Communications Assets and services.

The FCC and various users of spectrum are also regularly seeking new sources of spectrum for wireless and satellite services, including repurposing and clearing spectrum bands from certain traditional uses (such as television broadcasting, satellite services, or government use) and making those spectrum bands available for wireless or other "higher and better" uses through auctions or other regulatory structures. The future availability of new spectrum bands through this type of repurposing or other means could potentially reduce demand for and the value of any wireless, broadcast or satellite Communications Assets acquired by the Fund.

Most media services currently require ground-based network infrastructure, including communications sites for transmission and reception. The development and growth of communications and other new technologies that do not require ground-based communications facilities could impact the demand for many of the Fund's assets. For example, the growth in delivery of certain video, voice and data services by satellites, which may allow communication directly to users' terminals, could lessen demand for any ground-based spectrum or communications facilities acquired by the Fund. The FCC has issued licenses for several additional satellite systems (including low earth orbit systems) that are intended to provide more advanced, high-speed data services directly to consumers. These satellite systems, which could themselves be the Fund's investments, also compete with land-based communications systems, thereby potentially reducing the demand for the

Fund's ground-based Communications Assets. Broadband access over power lines, which transmits two-way data over the existing electrical distribution wiring in a metropolitan area, could also evolve into a competitive service alternative that reduces the demand for some of the Fund's assets.

New Communications Technologies May Be Deployed in a Slower Manner than Expected.

While certain new communications technologies are currently in the pipeline, there can be no assurance that such new technologies will be deployed as rapidly as anticipated by the communications industry. In addition, once such technologies are introduced, it could take time for customers to adopt such new technologies for a variety of reasons. Consequently, any growth based on new communications technology could be slower than anticipated.

Economic Conditions. The Fund's collections and returns might be adversely affected by weakness in the communication markets. Economic turmoil could cause general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, decrease in consumer confidence, overall slower economic activity, and extreme volatility in credit, equity and fixed-income markets. Such conditions could adversely affect the Fund's results of operations and financial health, particularly if consumers experience higher unemployment, higher inflation, lower levels of disposable income or lower levels of actual or perceived wealth. In addition, any increase in prices of communication services through which the Fund expects to exploit its assets and any changes in consumer preferences or tastes could result in a shift in consumer demand. Any of the above factors could correspondingly have a material, adverse effect on the Fund's collections and its returns.

Many sectors of the media industry, including broadcast, satellite, cable and the Internet, are dependent on advertising revenues. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions, as well as budgeting and buying patterns. National and local economic conditions, particularly in major metropolitan markets, affect the levels of advertising revenue. Changes in gross domestic product, consumer spending, auto sales, housing sales, unemployment rates, job creation, programming content and audience share and rates, as well as federal, state and local election cycles, all impact demand for advertising. The proliferation of cable and satellite channels, advances in mobile and wireless technology, the migration of television audiences to the Internet and the viewing public's increased control over the manner and timing of their media consumption through personal video recording devices, have resulted in greater fragmentation of audiences and a more difficult advertising sales environment. Reduced revenues by media companies could adversely affect the demand for the Fund's assets.

Geographic Concentration. Investments of the Fund could be affected by the conditions of the economies, the real estate markets, and the communications industry in regions where assets are located or services are provided, changes in governmental rules and fiscal policies, and other factors particular to the locales. The economy of any country, state or region

where assets are located or services are provided may be adversely affected to a greater degree than that of other areas by developments affecting the population and industries concentrated in such country, state or region. To the extent that general economic or other relevant conditions in countries, states or regions where assets are located or services are provided decline or result in a decrease in demand for communications services in the region, the value of the Fund and its revenues may be adversely affected.

Competition. The Fund's revenues will be dependent on entering into new service agreements or lease or sale agreements for Communications Assets, as well as renewing or finding new customers as contracts terminate. The Fund will face substantial competition for new customers and contract renewals from various sources, including (i) other operators of Communications Assets or government agencies that offer competing services or lease or otherwise make available their own Communications Assets to service providers, (ii) other independent operators of facilities, including owners of towers and non-tower antenna sites, and (iii) Fund customers who acquire their own Communications Assets and develop proprietary networks.

Some of the Fund's competitors have significantly more financial resources than the Fund. Many competitors have larger and better developed networks and systems, longer-standing relationships with customers and suppliers, greater name recognition and greater financial, technical and marketing resources than the Fund. These competitors can often subsidize competing services with revenues from other sources, such as customer services, content and advertising, and thus may offer their services at lower prices. The FCC, Congress and the states possess the ability to require Incumbent Local Exchange Carriers to artificially lower and cap their pricing for backhaul and other services. If such governmental actions are taken, then it could result in pricing pressure on the Fund and customers might find the Fund's pricing unattractive.

Operational Risks. Communications Assets and services are vulnerable to high operational risks that may be difficult to mitigate. Damage from human error, physical or electronic security breaches, power loss, fire, environmental conditions, earthquake, hurricane, water damage, sabotage, vandalism, and similar events could materially and adversely affect the performance of the Fund by destroying or impairing the use of Fund assets and disrupting revenue streams. In addition, Communications Assets must be maintained, and the performance of the Fund will depend on the ability of the portfolio companies to continue to maintain and replace Communications Assets, in order to provide competitive services to customers using such assets. Service interruptions could damage the reputation of portfolio companies, make it difficult to attract new customers and cause existing customers to seek termination of their contracts. Such results, as well as any consequent damage to the Fund's reputation or termination of customer or partner relationships could adversely affect the Fund's revenues and, accordingly, the Fund's results.

Satellite launch and in-orbit operation are particularly susceptible to risk of failure, and in

some cases a single operational event can lead to total loss of an asset. In addition, property damage and bodily harm may result from malfunctions during launch or operation of a satellite. While insurance may be obtained to cover some risks, it would not fully protect the Fund's investment in any satellite-related Communications Assets. In addition, once a satellite is in orbit, alteration of the satellite to adapt to new technologies or communications protocols, repair of the satellite, or refueling of the satellite, may be costly or impossible.

The Fund's ability to obtain revenues from Communications Assets will depend in part on its ability to modify its facilities and operations as necessary to satisfy customer requirements. Regulatory and other barriers could adversely affect the Fund's ability to modify, maintain and upgrade its Communications Assets and, as a result, the Fund may not be able to meet its customers' requirements. The Fund's ability to modify facilities and add new customers may be affected by a number of factors beyond the Fund's control, including zoning and local permitting requirements, U.S. Federal Aviation Administration ("FAA") considerations, FCC communications facility registration and radio frequency emission procedures and requirements, historic preservation and environmental requirements, availability of facility components and construction equipment, technological limitations, availability of skilled construction personnel, weather conditions and environmental compliance issues. Because public concern over communications facility proliferation has grown in recent years, many communities now restrict facility expansion and other necessary construction, or delay granting permits required for adding new customers. The Fund may not be able to overcome the barriers to modifying or upgrading facilities or adding new customers. Any failure to complete necessary modifications could harm the Fund's ability to add more customers or maintain existing customers, all of which could have a material adverse effect on the Fund's results.

Contractual Risks. The Fund's revenues may be dependent on the ability of portfolio companies to lease or sell Communications Assets, or otherwise maintain a revenue stream via contracts with customers or business partners for services using those assets. Contracts for services or use of Communications Assets entered into by the Fund's portfolio companies may not be renewed or continued, and options to acquire assets may not be exercised. In addition, the assets or services may not ultimately be deployed by the customer, which may result in the revenue derived being less than anticipated.

An unscheduled reduction or cessation of payments due under a contract may result in a reduction of the Fund's cash flow and a material adverse effect on the Fund's results. Similarly, if the expenses of maintaining and operating certain facilities exceed amounts budgeted, and if revenues from other facilities or revenue streams are not available to cover the shortfall, amounts that may otherwise be used to pay returns to the investors may be required to be used to pay the shortfall.

Any revenues are dependent on the creditworthiness of the customers and would be adversely affected by the loss, bankruptcy of or default by significant customers. Contracts

may not be guaranteed by the parent companies of the customers or supported by other credit enhancement and, as a result, the Fund must rely solely on the creditworthiness of its customers. Many communications service providers operate with substantial leverage. If one or more of the Fund's major customers or business partners experience financial difficulties, it could result in uncollectible accounts receivable and the loss of significant revenues.

In cases where an investment of the Fund involves leases of Communications Assets, most leases will be tenant leases, not net leases. Accordingly, the portfolio company will be responsible for the maintenance and repair of its Communications Assets and for other obligations and liabilities (including environmental compliance and remediation) associated with its Communications Assets, such as the payment of real estate taxes, ground lease rents, the maintenance of insurance and environmental compliance and remediation. The failure of a portfolio company to perform the landlord's obligations under a tenant lease could entitle the lessee to an abatement of rent or, in some circumstances, could result in a termination of the lease.

Federal and state law generally limits the length of contracts, and contracts with government customers are terminable in the event that funds are not appropriated for the purpose of the contract. Such terminations would have a material adverse effect on the Fund and its results of operations.

Regulatory Approval and Compliance. The Fund's operations with respect to Communications Assets are subject to a variety of federal, state and local regulations. This includes extensive regulation by the FCC and, in some cases, the FAA and other agencies. The Fund will also be subject to various environmental rules and regulations. These rules and policies may require, for example, that Fund portfolio companies consult with expert agencies having environmental responsibilities, prepare environmental assessments, prepare light or radio frequency emission assessments, and/or follow provisions related to historical preservation. The Fund's failure to comply with any applicable laws and regulations (including as a result of acts or omissions of its contractors, which may be beyond the Fund's control) may lead to monetary forfeitures or other enforcement actions, as well as civil penalties, contractual liability and tort liability and, in some cases, the loss of the Fund's right to conduct some of its business, any of which could have an adverse impact on the Fund's business. In addition, new regulations may impose additional cost burdens on the Fund, which may affect the Fund's revenues and results.

In the case of any spectrum-related Communications Assets held by the Fund (including satellite, wireless or broadcast assets), and certain fiber assets used for the provision of common carrier services, the FCC is responsible for granting licenses and regulating the use of those Communications Assets, including the leasing and sale of the spectrum and the provision of telecommunications service. The FCC may revoke licenses if (i) certain standards adopted by the FCC concerning the licenses generally are not met or (ii) the

qualifications of the licensee are not maintained consistent with FCC rules and policy, and may impose fines on the licensee for violations. The revocation, non-renewal or renewal with substantial conditions or modifications of one or more licenses of a portfolio company could have a material adverse effect on the Fund's revenues, and the Fund may not have sufficient funds to satisfy any fines incurred by it.

The communications industry generally, including the wireless mobile, television and radio broadcasting, satellite, and cable industries, is subject to extensive regulation by the FCC and state and local agencies, including licensing. The FCC has numerous other regulations and policies that affect its licensees, including technical and operational rules, and policy rules such as those related to net neutrality, that could preclude or limit the use by potential customers of the Fund's Communications Assets. Certain wireless, satellite and broadcast assets, for example, are subject to restrictions on the amount of their foreign ownership, which could include any off-shore entity within the Fund's structure. Ownership of certain Communications Assets by companies with any significant foreign ownership is usually also reviewed by various U.S. agencies with respect to any potential national security issues, which could result in the imposition of operational and reporting requirements that could adversely affect the use of those assets.

Both the FCC and the FAA regulate the construction, modification and maintenance of antenna structures that support wireless communications. Such regulations control siting, lighting, painting and marking of antenna structures and may, depending on the characteristics of the structure, require registration. Proposals to modify existing antenna structures are reviewed by the FAA to ensure that the structure will not present a hazard to aviation. Under the FCC's rules, the owner of antenna structures is fully liable for the acts or omissions of its contractors. The Fund will generally indemnify lessees against any failure by the Fund to comply with applicable standards.

Other FCC regulations may be applicable to specific Communications Assets. For example, rules governing the FCC's universal service programs, such as the E-Rate program for connecting U.S. schools and libraries to broadband, may be applicable to fiber-optic Communications Assets. Such programs may provide benefits to certain investments of the Fund in the form of subsidies, but in other cases may impose costs in the forms of contributions to the program and burdens that restrict or otherwise adversely impact operations or reduce revenues. Elimination or changes to such programs could eliminate or reduce such benefits or increase such costs and burdens. In addition, rules applicable to specific communications services, such as wireless services, including small-cell networks and satellite services, may be applicable to particular Communications Assets and may restrict the Fund's activities and decrease revenues.

Future revenues, costs, and certain investments of the Fund could be adversely affected by material changes to or decisions regarding applicability of government requirements, including, but not limited to, changes in rules governing inter-carrier compensation,

competition policies, and other pricing and requirements. Federal and state communications laws and regulations may be amended in the future, and other laws and regulations may affect business of investments of the Fund. In addition, certain laws and regulations applicable to investments of the Fund and its competitors may be, and have been, challenged in the courts and could be changed at any time. We cannot predict future developments or changes to the regulatory environment or the impact such developments or changes would have.

In addition, these regulations could create significant compliance costs for investments of the Fund. Delays in obtaining certifications and regulatory approvals could cause our portfolio companies to incur substantial legal and administrative expenses, and conditions imposed in connection with such approvals could adversely affect the rates that these portfolio companies are able to charge customers. Investments of the Fund also may be affected by legislation and regulation imposing new or greater obligations related to, for example, assisting law enforcement, bolstering homeland and cybersecurity, protecting intellectual property rights of third parties, minimizing environmental impacts, protecting customer privacy, or addressing other issues that affect our business.

The Fund will also be subject to state and local regulations and restrictions that typically require owners of Communications Assets to obtain a permit or other approval from local officials or community standards organizations prior to construction or modification. State and local regulations pertaining to zoning, permitting, safety and other requirements could delay or prevent deployment or modifications of Communications Assets, including small cell facilities, as well as increase the Fund's costs, any of which could adversely impact the Fund's results.

Risks Relating to Licensed Spectrum Assets. Investments in spectrum assets entail certain risks different from the Fund's other communication investments. Wireless spectrum is a finite resource, and licenses for its use are heavily regulated. The value of any Fund investment in spectrum assets could decline as a result of many factors, including: (i) increases in the supply of spectrum that provides similar functionality; (ii) new radio technology in unlicensed bands that provides the same capability as the Fund's spectrum; (iii) lower values placed on similar licenses in future FCC auctions; (iv) regulatory limitations on the use, transfer or assignment of any of the Fund's spectrum assets; or (v) bankruptcy or liquidation of service providers. Many of these factors depend on circumstances beyond the Fund's control. The occurrence of any of these events could have a material adverse effect on the Fund's ability to generate revenues from leasing or selling licenses.

FCC Spectrum Licenses. FCC licenses for radio frequency spectrum are subject to a number of requirements for their acquisition, maintenance and transfer. The FCC must approve any lease or sale of FCC spectrum licenses. There can be no assurance that the FCC will approve a proposed acquisition of a particular license by a portfolio company, or its lease or sale to particular lessees or buyers, or that it will do so without conditions that would adversely

impact such transactions. FCC licenses are also subject to build-out requirements that, if not met, could result in revocation of the licenses.

Participation in FCC Auctions for Licenses. The Fund may make investments in new licenses auctioned by the FCC in the future, including through direct participation by one or more Fund portfolio companies in FCC auctions. Participation in FCC auctions is costly and involves many risks, and the Fund could lose money if a portfolio company is unsuccessful at an auction or if any licenses acquired cannot thereafter be profitably leased or sold.

Each FCC auction is subject to a number of rules and procedures, many specific to the particular auction. These include rules and regulations related to auction participation and post-auction procedures, including deadlines for applications and payments (including upfront payments), and conduct rules such as anti-collusion rules, all of which may be strictly enforced. Failure of the Fund to fully meet deadlines or otherwise comply with all FCC requirements for an auction may adversely impact its ability to participate in an auction and win licenses, and may subject the Fund to penalties. The Fund may not have sufficient funds to satisfy any such fines. There can be no assurance that the FCC will not adopt rules or alter existing rules governing auctions, or delay scheduled auctions, so as to have an adverse impact on the ability of the Fund to participate in or win licenses in auctions.

Availability of Designated Entity Bidding Credits in FCC Auctions. The Fund believes that it might qualify as a Designated Entity (“DE”) in future FCC auctions. DEs are small businesses which, by meeting pre-set FCC revenue thresholds, qualify for auction “bidding credits.” Bidding credits are subsequently deducted from successful auction bids resulting in the DE paying a reduced price for the spectrum it acquires. Bidding credits are determined on an auction-by-auction basis. The FCC will not make a final determination as to whether any bidder is entitled to bidding credits as a DE until after an auction is completed, and the FCC’s analysis includes consideration of factors that are subjective. There can thus be no assurance that the Fund will actually receive DE benefits prior to the Fund’s incurrence of obligations to purchase licenses for which it has submitted the winning bid. There also can be no assurance that the Fund will be able to retain and not have to repay, in whole or in part, any bidding credits awarded. There can be no assurance that the FCC will not revise the DE rules or that rules will not be overturned by a court in ways that may adversely impact to the Fund.

Environmental Risks. The Fund’s operations will be subject to requirements and potential liabilities under environmental laws and regulations that impose liability, including those without regard to fault. Some of those regulate the presence of hazardous materials at certain sites and infrastructure, such as petroleum stored in tanks, and others may be applicable to the siting of communications infrastructure. These laws and regulations will place responsibility on the Fund to investigate potential environmental and other effects of operations and to disclose any significant effects in an environmental assessment prior to constructing any communications facility or adding a new customer. If the FCC determines

that a communications structure would have a significant environmental impact, then the FCC would require the Fund to prepare and file an environmental impact statement. The environmental review process mandated by the U.S. National Environmental Policy Act of 1969 can be costly and may cause significant delays in the registration of a particular communications facility or collocating an antenna. In addition, various environmental interest groups routinely petition the FCC to deny applications to register new communications facilities, further complicating the registration process and increasing potential expenses and delays.

In addition to the FCC's environmental regulations, the Fund will be subject to various federal, state and local environmental laws that may require the investigation and remediation of any contamination at facilities that the Fund may own or operate. These laws could impose liability even if the Fund did not know of or was not responsible for the contamination. The amount of protection that the Fund may receive from sellers with respect to liabilities arising before its ownership of an asset varies based on the terms of the applicable purchase agreement. The terms of the purchase agreements themselves often depend upon the nature of the sale process, price paid and the amount of competition for the asset. Under these laws, the Fund may also be required to obtain permits from governmental authorities or may be subject to record keeping and reporting obligations. If the Fund violates or fails to comply with these laws, it could be fined or otherwise sanctioned by regulators.

Examples of environmental laws are those imposing liability upon property owners or operators for the presence of hazardous substances on their property regardless of whether the owner or operator was responsible for the release of such substances. The costs of any required remediation or removal of such substances may be substantial, and the owner's or operator's liability therefore is generally not limited and could significantly exceed the value of the affected property and/or its aggregate assets. The expenses of complying with existing or future environmental laws, responding to petitions filed by environmental interest groups or other activists, investigating and remediating any contaminated real property, and resolving any related liability could result in a significant increase in the cost of operating the Fund's business.

Concerns about Health Risks Associated with Wireless Equipment. Wireless communications devices have been alleged to have adverse health effects, including some forms of cancer due to radio frequency emissions from these devices. The actual or perceived risk of using mobile communications devices could adversely affect the value of Fund assets and the price that the Fund may obtain for any lease or sale of such assets, including licenses. Although the FCC and the Federal Food and Drug Administration have found the weight of scientific evidence does not link cell phone use to cancer or any health problems, further research and studies are ongoing. The FCC has initiated a proceeding to evaluate whether current emission limits should be reassessed in view of the latest research. The Fund cannot guarantee that additional studies will not demonstrate a link between radio frequency

emissions and health concerns, or that the FCC will not impose more stringent regulations on emissions in the future. The Fund currently does not maintain any insurance with respect to these matters.

The safety guidelines for radio frequency emissions from communications facilities may require the Fund to undertake safety measures to protect workers whose activities bring them into proximity with the emitters and to restrict access to the communications facilities by others. If radio frequency emissions are found or perceived to be harmful, then the Fund's lessees and possibly the Fund could face lawsuits claiming damages from these emissions. Demand for wireless services and new communications facilities, and thus the Fund's business and revenues, may be harmed. No assurance can be given that such claims will not arise in the future with respect to assets that the Fund may acquire or develop, or that they will not negatively impact the Fund's business.

Sufficiency of Earthquake, Flood and Other Insurance. The communications facilities and the lessees' equipment at the sites will be subject to risks associated with natural disasters, such as ice and wind storms, fire, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen events. The communications facilities and the lessees' equipment will also be vulnerable to damage from human error, physical or electronic security breaches, power loss, other facility failures, sabotage, vandalism and similar events. In the event of casualty, in addition to losses to the Fund's assets, it is possible that any lessee sustaining damage may assert a claim against the Fund for such damages.

In addition, the Fund may own, lease and license a large number of communications facilities in geographic areas, such as California, Florida, Louisiana, North Carolina and South Carolina, which states have historically been subject to natural disasters, such as high winds, hurricanes, floods, earthquakes and severe weather. Although the communications facilities are required to be insured against certain risks, there is a possibility of casualty loss with respect to one or more of the communications facilities for which insurance proceeds may not be adequate or which may result from risks not covered by insurance. There can be no assurance that the Fund will in the future be able to comply with requirements to maintain adequate insurance with respect to the communications facilities, and any uninsured loss could have a material adverse impact on the Fund's results. If reconstruction (for example, following fire or other casualty) or any major repair or improvement is required to a communications facility, changes in laws and governmental regulations, and particular provisions contained in ground leases or easements, may be applicable and may materially affect the cost of, or ability of the Fund to affect such reconstruction, major repair or improvement. Likewise, in such a situation, zoning regulations may have changed or certain zoning permits may be restricted or denied in such a manner that may restrict or prohibit the reconstruction or improvement at issue. If the activities at any communications facility become a "non-conforming use," the Fund will be required to obtain law or ordinance coverage to compensate for the cost of demolition and the increased cost of construction, if available. There can be no assurance that the amount of insurance required or obtained will

be sufficient to cover damages caused by any casualty, or that such insurance will be available at commercially reasonable rates in the future.

Real Property Interests. The Fund's real property interests relating to communications facilities will primarily consist of leasehold interests, private easements, and permits granted by governmental entities. A loss of these interests for any reason, including losses arising from the bankruptcy of a significant number of the Fund's lessors, from the default by a significant number of the Fund's lessors under their mortgage financings or from a legal challenge to the Fund's interest in the real property, would interfere with its ability to conduct its business and generate revenues. Similarly, if the grantors of these rights elect not to renew the Fund's leases, its ability to conduct business and generate revenues could be adversely affected.

The Fund's ability to protect its rights against persons claiming superior rights in communications facilities or real property depends on its ability to: (i) recover under title insurance policies, the policy limits of which may be less than the purchase price or economic value of a particular facility; (ii) in the absence of title insurance coverage, recover under title warranties given by infrastructure sellers, which warranties often terminate after the expiration of a specific period (typically nine months to three years), contain various exceptions and are dependent on the general creditworthiness of sellers making the title warranties; and (iii) recover from landlords under title covenants contained in lease agreements, which is dependent on the general creditworthiness of landlords making the title covenants.

Intellectual Property. The Fund's assets may rely on a combination of patented and patent-pending technology, trademarks, trade names, copyrights, and other proprietary rights, as well as contractual arrangements, including licenses. Any impairment of any such intellectual property could adversely impact the value of the Fund's assets. Policing unauthorized use of intellectual property is often difficult and the steps taken may not in every case prevent the infringement by unauthorized third parties. The use of contractual provisions, confidentiality procedures and agreements, and trademark, copyright, unfair competition, trade secret and other laws to protect the intellectual property rights and proprietary technology may not be adequate. Litigation may be necessary to enforce intellectual property rights and protect the proprietary technology, or to defend against claims by third parties that the conduct of business or use of intellectual property infringes upon such third party's intellectual property rights. There can be no assurance that efforts to enforce intellectual property rights related to any Fund asset will be successful in preventing infringement. Moreover, any intellectual property litigation or claims brought by third parties against the Fund or its portfolio companies, whether or not meritorious, could result in substantial costs and diversion of resources, and there can be no assurances that favorable final outcomes will be obtained in all cases. The terms of any settlement or judgment may require the Fund or its portfolio companies to pay substantial amounts to the other party or cease exercising rights in such intellectual property. In addition, the Fund's

portfolio companies may have to seek a license to continue practices found to be in violation of a third party's rights, which may not be available on reasonable terms, or at all. The Fund's business, financial condition or results of operations may be adversely affected as a result.

Risks Related to Outside Chief Compliance Officer. The Advisor has engaged Integrated Compliance Solutions Group, LLC ("ICSGroup"), an unaffiliated regulatory compliance consulting firm to manage the Advisor's compliance program. Curtis Flippen, a senior compliance consultant at ICSGroup, assumes the role of the Advisor's Chief Compliance Officer. In such capacity, Mr. Flippen is responsible for monitoring, administering and enforcing the Advisor's compliance policies and procedures. Since Mr. Flippen is a senior compliance consultant at ICSGroup, he will only be on site periodically.

Item 9 – Disciplinary Information

The Advisor does not have any legal or other disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

The Advisor organizes and sponsors the Fund, which is a private pooled investment vehicle. The Fund is managed by Grain Management and is controlled by an affiliated General Partner. Grain Management or the General Partner will be responsible for all decisions regarding investments of the Fund and have full discretion over the management of the Fund's investment activities. While the General Partner is not separately seeking registration as an investment adviser with the SEC, all of its investment advisory activities are subject to the Advisers Act, and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner are subject to the supervision and control of Grain Management. Thus, the General Partner, all of its employees and persons acting on its behalf would be "persons associated with" a registered investment adviser, so the SEC could enforce the requirements of the Advisers Act on the General Partner.

Employees of Grain Management may serve as directors and officers of certain portfolio companies, and in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Grain Management and such individual's duties as a director or officer of such portfolio company.

Neither the Advisor nor any of the management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, neither the Advisor nor any of its management persons are affiliated with any broker-dealer.

Neither the Advisor nor any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

The Advisor has arrangements to receive additional compensation from other investment vehicles that generally invest in Communications Assets, and manages the assets of GIF II, GCOF, GSH I and GSH II. Personnel of the Advisor may devote a portion of their time to the management of GIF II, GCOF, GSH I, GSH II or such other investment vehicles that generally invest in Communications Assets.

Conflicts of interest are inherent in any investment business. To the extent the General Partner determines in its good faith judgment that any potential or actual conflicts of interest are material, it may present such conflicts of interest to the advisory board for review or approval. The guidelines and policies set forth in the Partnership Agreements specify the appropriate procedures to be taken with respect to resolving any conflicts.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Grain Management has adopted a Code of Ethics (the “Code”) under Rule 204A-1 of the Advisers Act. The Code applies to the Advisor and all of the Advisor’s employees, officers, members, and any other individual designated in writing by the Chief Compliance Officer as being subject to the compliance procedures or policies and the Code (the “Covered Persons”). The Code was designed to ensure the Advisor meets its fiduciary obligations to its clients and the Advisor’s obligation with respect to the use of material non-public information. The Code also reinforces a culture of compliance within the firm.

The Code describes the Advisor’s high standards of business conduct and fiduciary duty to the Fund to which it provides investment advisory services. It includes provisions relating to the prohibition on insider trading, personal securities trading procedures, trading restrictions, reporting requirements of holdings and transactions, record keeping, restrictions and reporting on gifts and business entertainment, among other items. The Code emphasizes the Advisor’s philosophy of honesty, integrity and professionalism, setting forth standards of conduct expected of its personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promoting compliance with applicable government laws, rules and regulations.

Covered Persons are required to report their trading activities in accordance with the provisions in the Code. Under the Code, certain securities have been or may be designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Fund. In addition, the Advisor has an Insider Trading Policy applicable to all its Covered Persons which prohibits the use of material non-public information in connection with personal securities transactions and prohibits the tipping of material non-public information to other persons who may trade on the basis of the information. The Code and investment policies are overseen by the Chief Compliance Officer who is responsible for the review of such transactions to reasonably prevent conflicts of interest between the Advisor, its personnel, the Fund and its investors.

All of the Advisor’s Covered Persons must comply with and acknowledge compliance with the terms of the Code annually, and as amended.

Potential Conflicts of Interest

- 1) Other Activities. Although the members of the Advisor will commit a significant

amount of their business efforts to the Advisor, they are not required to devote all of their time to the Fund's affairs. Personnel of the Advisor may devote a portion of their time to the management of GIF II, GCOF, GSH I, GSH II or such other investment vehicles that generally invest in Communications Assets. Further, the Advisor may, in the future, organize and manage one or more entities with objectives similar to or different from those of the Fund. Conflicts may arise as a result of such activities and in the allocation of management resources. The possibility exists that the companies with which one or more employees of the Advisor is involved could engage in transactions which would be suitable for the Fund, but in which the Fund might be unable to invest.

In addition to managing, advising and consulting with respect to the Fund and such other investment vehicles that generally invest in Communications Assets, members, employees or other related persons of the General Partner or the Advisor or any of their respective affiliates (the "Investment Professionals") may serve as directors and officers of and/or provide advice to portfolio companies, private companies, partnerships, debt and equity investment vehicles, and may receive compensation (including equity compensation) in connection with such roles.

The receipt of material non-public information by the Investment Professionals regarding these entities could limit the Fund's ability to transact in securities of such companies at certain times.

Certain Investment Professionals have, and will have in the future, professional time commitments to entities not associated with Grain, including non-profit organizations and businesses in which they have personally invested.

- 2) Other Fees. The Advisor and its affiliates may receive certain fees from investments in connection with the purchase, monitoring, or disposition of investments or in connection with unconsummated transactions (e.g., transaction, consulting, management, advisory, closing, topping, break-up, and other similar fees), which may give rise to certain conflicts of interest.

The Management Fee otherwise payable to the Advisor will be reduced (but not below zero) by an amount equal to the Fund's proportionate share of 100% of the amount of Other Fees paid to the Advisor and/or its affiliates in connection with the consummation, disposition or termination of an investment attributable to the Fund and/or any fees received from a portfolio company.

For purposes of the foregoing, (i) the amount of Other Fees to be allocated to the Fund will be based on the Fund's percentage ownership of a portfolio company

(or, if the investment is not made, the percentage ownership that the Fund would have had had the potential investment been made) and (ii) the amount allocated to the Fund pursuant to clause (i) will then be further allocated among the Management Fee-bearing investors. Other Fees that are not allocated to the Fund or the Management Fee-bearing investors will not be applied to reduce the Management Fee otherwise payable by the Fund. In certain circumstances, such as the consummation of certain transactions, the payment of Other Fees may be accelerated and Other Fees may ultimately be paid for a tail period during which the Advisor and/or its affiliates are no longer providing services.

- 3) Allocation of Investment Opportunities. The Advisor may, from time to time, be presented with investment opportunities that fall within the investment objective of the Fund and GCOF. In such circumstances, the Advisor will allocate such opportunities among the Fund and GCOF on a basis that the Advisor reasonably determines on a fair and equitable basis, taking into account, among other things, availability of capital, permitted leverage, the size, liquidity and duration of the investment opportunity, investment limitations, with respect to an investment opportunity originated by a third party, the relationships of the Advisor to such third party and such other criteria as are reasonably related to a fair and equitable allocation of a particular investment opportunity. Through the end of the investment period of the Fund, any investment opportunity suitable for the Fund that is presented to the General Partner, the Advisor or the principal will be offered to the Fund, except for such other investments to be set forth in the Governing Documents of the Fund.
- 4) Allocation of Expenses. The General Partner and/or one or more of its affiliates may, from time to time, incur expenses on behalf of the Fund, other Grain Management-related entities and one or more existing or subsequent entities established by the Advisor. Although attempts will be made to allocate such expenses on a fair and equitable basis, there can be no assurance that such expenses will, in all cases, be allocated appropriately and such matters will not necessarily be brought to the advisory board or investors of the Fund or the applicable investment vehicle for discussion or consultation.
- 5) Management Fee; Carried Interest. The Management Fee payable by the Fund to the Advisor and the Carried Interest that the General Partner will receive have not been established on the basis of an arm's-length negotiation among the Fund, the General Partner and the Advisor. In addition, the existence of the Carried Interest may create an incentive for the General Partner to (i) approve and cause the Fund to make riskier or more speculative investments than it would otherwise make in the absence of such performance-based compensation, and (ii) dispose of the Fund's investments at a time and in a sequence that would generate the most

Carried Interest. The Management Fee may incentivize the General Partner to cause the Fund to continue to hold an investment longer than it may have in the absence of the Management Fee.

- 6) Diverse Investors. The investors may have conflicting tax and other interests with respect to investments of the Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of the Fund's investments, the structuring or the acquisition of investments and the timing of disposition of the Fund's investments. As a consequence, conflicts of interests may arise in connection with decisions made by the General Partner or the Advisor, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the General Partner and the Advisor will consider the investment and tax objectives of the Fund and the Fund's partners as a whole, and not the investment, tax or other objectives of any limited partner individually.
- 7) Lack of Separate Representation. Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul, Weiss") will act as legal counsel for the Fund, the General Partner, the Advisor and their affiliates, and not for any investor or the investors as a group. No independent counsel has been retained (or is expected to be retained) to represent the investors.

Participation or Interest in Client Transactions

The Advisor, its employees and/or related entities will have an investment in the Fund through a parallel investment vehicle. Employees of the Advisor may also own personally or through certain family trusts equity interests in portfolio companies of the Fund. Employees of the Advisor may receive compensation such as directors' fees from a portfolio company of the Fund. Such fees will reduce Management Fees by an identical amount.

Principal and Agency Cross Transactions

Grain Management may, from time to time, cause the Fund and/or the other investment vehicles managed by Grain Management to engage in "cross trades" (*i.e.* the sale of securities or other assets or obligations by one or more investment vehicles to the Fund, or vice versa). No fees will be charged by Grain Management or its affiliates to its clients in connection with the completion of a cross trade. In certain cases, cross trades may be viewed as principal transactions due to the ownership interest in the Fund and/or other investment vehicles managed by Grain Management.

To the extent the General Partner determines in its good faith judgment that any conflicts of

interest exist and are material, it may present such conflicts of interest to the advisory board of the Fund and/or the applicable investment vehicle for review or approval. Grain Management will conduct any such trades in accordance with the relevant provisions of the Advisers Act and the guidance thereunder, and the governing documents of the applicable Fund and/or the investment vehicle managed by Grain Management.

Item 12 – Brokerage Practices

The Advisor typically does not utilize broker-dealers for its investment activities. However, the Fund may directly invest in certain equity securities of privately held companies and may receive shares of such companies as part of a general distribution. The Fund may sell the securities received in share distributions such that the proceeds can then be distributed to the Funds' investors. The Advisor will generally have discretionary authority to select the broker or dealer to be used to execute transactions on behalf of the Fund and to negotiate the commission cost to be paid by the Fund.

The Advisor shall seek best execution for the Fund's securities transactions and the General Partner will have final approval. Brokers will be selected according to various characteristics that support the Fund's interest in receiving the most favorable execution. Many criteria will be considered, including, but not limited to, the following: the integrity, ethics and trustworthiness of the broker regarding any relations and agreements with the Advisor and the Fund; the speed and quality of trading execution to minimize market price impact and maximize value for the Fund; the broker's capability to provide services at the lowest possible cost; competent broker personnel and support staff; the efficient clearance and settlement of trades; commitment to technology and a preeminent trading system; the broker's overall ability to provide best execution for the Fund; and timely acknowledgement and correction of trade errors. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

If any Advisor ever has occasion to select brokers and dealers, it will do so on the basis of its judgment of their professional capability to provide best execution based on the aforementioned criteria. If, in the Advisor's judgment, the commission is reasonable in relation to the brokerage services provided, the Advisor may recommend that the Fund pay a brokerage commission in excess of the commission another broker would have received for effecting the same transaction.

Research or Other Soft Dollar Benefits

The Advisor does not engage in soft dollar arrangements with respect to investment transactions for the Fund.

Brokerage for Client Referrals

The Advisor typically does not use broker-dealers. However, in the event it does, the Advisor will not consider, in selecting or recommending broker-dealers, whether it or a related person receives client referrals from a broker-dealer or a third party.

Directed Brokerage

The investors and the Fund are not permitted to direct securities transactions to a specific broker. This policy allows the Advisor to achieve the most favorable execution of client transactions.

Item 13 – Review of Accounts

The Advisor will review the assets of the Fund on a periodic basis to ensure the investment guidelines and objectives of the Fund are being met. Financial reports are sent to limited partners on a quarterly basis and are audited by an independent accounting firm on an annual basis. Further information on the reports provided by the Fund is contained in the Governing Documents.

Item 14 – Client Referrals and Other Compensation

The Advisor has no arrangements for client referrals and, therefore, does not compensate any person regarding client referrals.

Item 15 – Custody

The Advisor manages pooled investment vehicles that invest in privately placed uncertificated securities. The Advisor maintains all documents for the Funds' privately held securities in its office in Sarasota, Florida.

Any cash in the Fund is held with a qualified custodian.

The Advisor delivers quarterly unaudited financial statements and audited financial statements annually to the Fund's investors. Annual financial statements are audited by an independent public accounting firm registered with and subject to regular inspection by the PCAOB. Audited financial statements are distributed to the Fund's investors within 90 days of the end of the Fund's fiscal year or as soon thereafter as reasonably practicable, as required by the Governing Documents.

Item 16 – Investment Discretion

Generally, the Advisor has authority to determine, without the specific consent of its clients, the securities to be bought or sold and the amount of securities to be bought or sold in accordance with the terms and conditions of the Governing Documents of the Fund.

Item 17 – Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Grain Management has adopted and implemented written policies and procedures governing the voting of client securities.

At the present time, the Advisor does not anticipate that the Fund will acquire any publicly traded securities where they would be required to vote proxies.

To the extent the Fund receives proxies or other solicitations, the General Partner may contact the Advisor. The Advisor shall advise the General Partner based on the performance, activities and events related to each investment, and the evaluation of other issues that could have an impact on the value of the security. A managing director of the Advisor responsible for the particular portfolio investment shall review each proposal submitted for a vote on a case-by-case basis and shall review the matter with the Chief Compliance Officer in conjunction with the Advisor's investment committee at a formal investment committee meeting and determine whether the matter may involve a material conflict of interest and thus requires further consideration by the Advisor. The managing director then ensures that the vote is cast (or abstained) as determined appropriate collectively by the managing director, the investment committee and the Chief Compliance Officer.

Prior to exercising its voting authority, the Advisor shall review the relevant facts to determine whether or not a material conflict of interest may arise and shall take steps in accordance with the Fund's proxy voting policies and procedures to ensure that its voting decision is based on the best interests of the Fund and is not a product of the conflict.

Investors may obtain a copy of the Advisor's proxy voting policy upon request by contacting Curtis Flippen, Chief Compliance Officer, at 202.779.9043 or compliance@graingp.com.

Item 18 – Financial Information

The Advisor does not require or solicit prepayment of more than \$1,200 in fees from the Fund six months or more in advance. Therefore, no financial information is provided.

The Advisor has no financial commitment or conditions that are reasonably likely to impair its ability to meet contractual and fiduciary commitments to the Fund, and it has not been the subject of any bankruptcy proceedings.