

Item 1. Cover Page

This brochure provides information about the qualifications and business practices of Cove Hill Partners, L.P. If you have any questions about the contents of this brochure, please contact us at (857) 245-6060 and/or info@covehillpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cove Hill Partners, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov.

Cove Hill Partners, L.P.

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Part 2A of Form ADV: Firm Brochure
March 28, 2019

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Item 2. Material Changes

This brochure, dated as of March 28, 2019, serves as an update to Cove Hill Partners, L.P.'s prior brochure effective as of February 5, 2018 (the "Prior Brochure"). This brochure does not include any material changes to the Prior Brochure.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Cove Hill Partners, L.P., a Delaware limited partnership, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates may or may not be under common control with Cove Hill Partners, L.P., but possess a substantial identity of personnel and/or equity owners with Cove Hill Partners, L.P. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds make primarily long-term controlling and influential minority private equity and equity-related investments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the consumer products and services industry and the technology and technology-enabled services industry. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “Organizational Documents”).

The principal owner of Cove Hill Partners, L.P. is Andrew Balson. The Adviser has been in business since 2017. As of December 31, 2018, the Adviser manages a total of \$1,048,932,247 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, may reduce the Advisory Fees payable

to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”) typically calculated based on committed capital, or remaining invested capital, with respect to such Fund. Advisory Fees may be reduced during the life of a Fund. Advisory Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

Advisory Fees are payable in advance, ten (10) days following the commencement of each semi-annual period.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in such Fund’s Advisory Agreement and/or the Organizational Documents received by each investor prior to investment in such Fund. Fees may differ from one Fund to another.

Certain investors in the Funds that are employees, partners, members, directors, managers and officers of the Adviser or its affiliates, immediate family members of the foregoing, certain business associates (collectively, the “Adviser Investors”) or members of the Executive Advisory Board will not typically pay Advisory Fees in connection with their investment in a Fund.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

Other Fees

Fees Payable by the Portfolio Companies

The Adviser and its affiliates may, from time to time, perform transaction-related, management, advisory, financial advisory, consulting and other services for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, which fees will be in addition to the Advisory Fee and the Carried Interest paid by a Fund (such fees, together with the other fees described in this section, “Other Fees”). These services will include services provided by certain of the Adviser’s employees. The Other Fees will also typically include fees received by the Adviser and its affiliates in connection with service on the board of directors of a portfolio company, and the break-up fees received in connection with unconsummated transactions.

The Adviser and its affiliates may also receive “monitoring fees” pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other

similar ongoing services provided by the Adviser to such portfolio companies, the terms of which may include (among other things) annual automatic renewals or the payment of fixed fees or fees calculated as a percentage of EBIDTA or similar performance metric. The amount and timing of such Other Fees are generally specified in the agreement or other documentation governing the transaction. There are certain circumstances (such as the occurrence of an initial public offering or strategic exit) which accelerate the payment of such fees. Because the agreements with portfolio companies providing for such fees generally have extended terms (often ten years or more and/or subject to automatic extensions and renewal), the effect of such acceleration is substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company.

A Fund's allocable share of the aggregate after-tax amount of Other Fees and the Advisory Fees received by the Adviser and its affiliates, with respect to any period prior to the end of a specified step-down date (as described in the Organizational Documents of the Fund), will be compared to the Adviser's expenses during such period and any excess fees will reduce the amount of future Advisory Fees payable by the Fund. Following the specified step-down date, the amount of future Advisory Fees payable by the Fund will be reduced by the amount (if any), by which a Fund's allocable share of such Other Fees exceed the costs and expenses incurred in providing or being available to provide, management and other operating services to portfolio companies. Such costs and expenses will include, for example, the compensation paid to, and other costs of, certain of the Adviser's employees or affiliates and similar professionals, regardless of whether such compensation or other costs are incurred in connection with Other Fees received by the Adviser and its affiliates. Generally, for purposes of calculating any Advisory Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees. The amount and manner of such reduction, if any, is set forth in the Advisory Agreement and/or Organizational Documents of the applicable Fund.

While these Advisory Fee offset mechanisms described above are intended to reduce the Adviser's incentive to charge Other Fees, the Adviser will, in certain circumstances, have an interest in charging additional Other Fees in order to cover its expenses. For example, if the Adviser-paid expenses are projected to exceed after-tax amount of a Fund's allocable share of Other Fees and the Advisory Fees with respect to the period prior to the end of the specified step-down date related to such Fund, the Adviser will have an incentive to charge additional Other Fees at least in an amount necessary to eliminate such excess. The Adviser also may not seek to reduce its expenses to the same extent it would if such Other Fees were not available to the Adviser to cover such expenses.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Expense Reimbursement

Additionally, a portfolio company will typically reimburse the Adviser for expenses, including without limitation, travel expenses, which may include expenses for chartered or first class travel, and meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable Organizational Documents, and such reimbursements are not subject to the Advisory Fee offset arrangements described above. To the extent not reimbursed by a portfolio company, such expenses will be paid or reimbursed by the applicable Fund, as described below.

In addition to arrangements where the Adviser or its affiliates may receive reimbursements of expenses, the Adviser will make recommendations regarding the engagement of services providers or the incurrence of expenses by the Funds. Because certain expenses are paid for by the Funds and/or their portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

Expenses

Adviser Expenses

To the extent provided in the Advisory Agreements and the Organizational Documents of the Funds, the Adviser will pay out of Advisory Fees all expenses and costs incurred by the Adviser in connection with providing services to the Funds, compensation of its investment professionals, rent, utilities, office expenses and Fund organizational expenses and Adviser startup expenses not borne by the Fund.

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies including, without limitation: (a) all printing, legal, accounting, marketing, travel (including, for the avoidance of doubt, first class and equivalent chartered travel), entertainment, meals and accommodation, information technology (including any software system or database), and other expenses (including reimbursements of expenses of third parties, including legal and accounting advisers and placement agents (if any)) incurred by the a Fund, the relevant General Partner, the Adviser or their affiliates in connection with the organization of the Fund and the General Partner and the

offering and sale of limited partner interests in the Fund, up to a specified cap described in the Organizational Documents of the Fund; (b) certain costs and expenses incurred by the Adviser and its affiliates in connection with their start-up and organization, including without limitation, compensation of certain Adviser professionals, any headhunter or recruiter expenses or fees, and any real estate and build-out costs, up to a specified cap described in the Organizational Documents of the Fund; (c) subject to any applicable Advisory Fee offset described above, the fees of any placement agent (if any) utilized in connection with the offering and sale of limited partnership interests in the Funds; (d) all fees and expenses of professional and similar services to the Fund (including without limitation legal, accounting, consulting, marketing, audit, investment banking, reporting, valuation, tax preparation, research, due diligence, administrator services and expert networks), all fees and expenses associated with information technology (including without limitation any software system or database), and all filing and similar fees paid on behalf of the Fund, in each case including without limitation reimbursements of any expenses to advisers, service providers and other third parties; (e) all fees and expenses (including without limitation travel expenses of the Adviser and expenses of the type referred to in clause (d) of this sentence) related to research, discovery, sourcing, investigation, negotiation, structuring, making, holding, developing, operating, managing, monitoring or disposing of investments, including without limitation with respect to transactions that are not consummated (including expenses that would have been borne by co-investment vehicles); (f) all fees, costs and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to the Fund (including without limitation registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in the Fund in any jurisdiction, including without limitation any such obligations arising under the Alternative Investment Fund Managers Directive or the securities laws of any jurisdiction); (g) insurance premiums of any director and officer liability or other insurance, including insurance of which the Adviser and its affiliates are beneficiaries; (h) all custody, depositary, transfer, registration and similar expenses incurred by the Fund; (i) all brokerage, and finders' fees and commissions and discounts incurred in connection with the purchase or sale of securities; (j) all interest on funds borrowed by the Fund (if any); (k) all expenses of the advisory committee; (l) all extraordinary expenses, such as litigation and indemnification costs, expenses, judgments and settlements; (m) all taxes and related interest and penalties (if any); (n) all expenses incurred by the Fund and the applicable General Partner or their affiliates in connection with meetings of the partners of the Fund, including without limitation travel expenses of the General Partner or its affiliates in connection with such meetings; and (o) other similar fees and expenses. Travel expenses may include, without limitation, expenses for chartered or first-class travel and for meals and entertainment. Expenses relating to research, discovery, sourcing, investigation, negotiation, structuring, making, holding, developing, operating, managing, monitoring or disposing of investments may be borne by the Fund even if such expenses are not related to a specific transaction (including without limitation, attendance or participation at industry conferences and travel to meet with investment banks, financial intermediaries or other potential sources of transactions). Expenses of the types borne by a Fund but associated with any feeder fund organized to facilitate the participation of certain investors in such Fund (including, without limitation, expenses of accounting and tax services) will be borne by such Fund.

In addition, the Adviser or one or more of its affiliates may provide certain legal, regulatory, tax, accounting, administration and similar services to certain Funds and such Funds bear their

allocable portion of fees, costs and other expenses (including an allocable portion of personnel and related overhead expenses) attributable to such services. The Adviser believes that any conflict of interest with respect to such fees, costs and other expenses is mitigated by the requirements set forth in the Organizational Documents of a Fund that (i) such services would, in the ordinary course, otherwise be provided by third-party service providers and such fees, costs and other expenses would be expenses of the Fund pursuant to the terms of such Fund's Organizational Documents, if such services were provided by third-party service providers, (ii) the General Partner of such Fund reasonably believes that it is in the interests of such Fund to have in-house personnel perform such services rather than third-party service providers and (iii) the costs of providing such services are no greater than the amount that would be charged by third-party service providers providing such services in an arms-length transaction.

From time to time, the general partner of a Fund may create certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) may be borne by the Fund.

Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), some or all of the Dead Deal Costs may be borne solely by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, but not to the co-investment vehicle or other co-investor to which the co-investment opportunity was offered. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, expenses relating to such co-investment vehicle may, in certain situations, be borne by another Fund or Funds, regardless of whether such proposed transaction is consummated rather than the co-investors. Any co-investment vehicle established for the applicable General Partner's investment or the commitment of any member of the Executive

Advisory Board will not pay expenses relating to potential investments that are not consummated and such expenses will be borne by the applicable Fund or Funds.

Additionally, co-investment vehicles are not typically allocated any share of fees received in connection with an unconsummated transaction (“Break-Up Fees”) paid or received in connection with such an unconsummated transaction. As a general matter, no co-investment vehicle is entitled to receive any portion of Break-Up Fees until they are contractually committed to invest in the proposed investment.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. The Adviser will allocate fees and expenses incurred in connection with the operations and management of a Fund between the Adviser and such Fund in its sole discretion, in each case using good faith and its best judgment. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The appropriate allocation among the Funds of expenses and fees generated in the course of evaluating and making investments often may not be clear, especially where more than one Fund participates. For instance, if multiple Funds are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Funds (such as expenses of common counsel and other professionals) will be made in good faith. Such expenses are typically not allocated to co-investment vehicles. In general, the Adviser will resolve all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion.

With respect to allocating other expenses among Fund(s), co-investment vehicles, Adviser Investors and/or Third Parties, as appropriate, to the extent not addressed in the Organizational Documents of a Fund, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Carried Interest Payments

Please see Item 6 below regarding “Carried Interest” that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Funds, a portion of the profits of each such Fund is distributed to its general partner, if any, as “carried interest” (the “Carried Interest”). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund.

Item 7. Types of Clients

The Adviser will provide investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, trusts, estates, charitable organizations, university endowments, limited partnerships and limited liability companies or other entities.

Minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser anticipates targeting controlling and influential minority equity investments, specifically seeking investments with the following attributes:

- Strong and durable competitive positions with high barriers to entry
- Products and services that are highly valued by customers
- Limited threats and/or meaningful opportunities from changes in market dynamics
- Attractive economic models
- Multiple levers for creating operating and strategic value

The Adviser will seek to generate alpha across four primary dimensions: (1) advantaged sourcing; (2) archetype-driven investment selection; (3) hands-on portfolio transformation; and (4) duration management based on a fund structure and investor base that can enable the Adviser to profit from long term compounding investments.

Advantaged Sourcing

The Adviser intends to focus its efforts on two industry sectors (technology and consumer) where the team believes it can leverage its differentiated access, domain expertise, and close relationships to generate compelling deal flow.

The Adviser's sourcing model will focus broadly on intermediary engagement and active company outreach. The model will be underpinned by the use of technology (e.g., network building tools, domain traffic tracking, research tools, CRM system, automated alerts) which the Adviser believes will enable it to be efficient and effective, while providing a competitive edge over firms that employ different sourcing strategies. These efforts will leverage the deep sourcing experience of investment personnel. Furthermore, the Adviser anticipates (i) building out a team that maintains relationships with banks, regional law firms and accounting firms, as well as investment firms with interesting long-term investment targets for the Adviser, including banks, regional law firms and accounting firms, and investment firms and (ii) pursuing a thematic approach to outbound calling efforts and leveraging the Adviser's long-standing relationships to proactively generate deal flow

Archetype-Driven Investment Selection

In selecting new investments, the Adviser will determine whether a Fund is the right buyer for a particular company. The Adviser expects that most often its investment alpha will derive from differential strategic diligence insights and the ability to translate these insights into portfolio value creation over the Adviser's hold period. Fundamentally, the Adviser will aim to create sustained returns in private equity through two investment archetypes: (i) buying high quality companies that have created durable competitive advantages, high levels of customer value, and strong and sustainable economic models where the Adviser believes it will have long term opportunities to build on their strategic positions, and (ii) buying high quality companies at reasonable prices in which there is a large and unrecognized opportunity to improve the operating trajectories and/or enhance the strategic positions of the businesses.

Hands-on Portfolio Transformation

The Adviser's investment team will be deeply involved with the Funds' portfolio companies. Deal professionals will own investments they oversee from "cradle to grave" and will be accountable for the results of their companies. In addition, the deal professionals will be expected to spend significant time with portfolio company management teams, catalyzing key strategy, operations, and talent-management initiatives. To augment deal team resources, the Adviser will establish a dedicated operating team of former executives with domain expertise, operating capabilities, and relevant skill sets.

Duration Management

The Funds intend to seek a portfolio of long duration, compounding investments, with (i) highly durable market positions, (ii) excellent management teams, and (iii) strategically advantaged capabilities that have the ability to compound at high rates of return over extended periods of time.

The Adviser favors this concept of selectively lengthening duration and reinvesting in proven investments over maximizing velocity in newer investments for several reasons. First, the Funds' portfolio assets may have a proven value creation model, will likely be better understood by the

Adviser's team, and can be re-underwritten with more time and management access. As a result, such existing investments have the potential to drive superior returns while imposing less risk than new investments. Second, longer average hold periods reduce financial and non-financial costs associated with asset cycling.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Highly Competitive Market for Investments

The business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty. The Funds will be competing for investments with other private equity investment vehicles as well as strategic buyers and other institutional investors. The size and number of private equity investment vehicles has grown dramatically in recent years, and it is likely that these trends will continue in the future. The Fund may not have identified any particular investment upon an initial closing of a Fund. There can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return, or fully invest its available committed capital. An investor in the limited partnership interests must rely upon the ability of the General Partner (as defined below) and the Adviser to identify, structure and implement investments consistent with a Fund's investment objective and policies.

Long-Term Nature of Portfolio Investments

The Funds intend to seek a portfolio of longer duration investments that the Adviser believes have the ability to appreciate and/or generate attractive cash flow over extended periods of time. Therefore, the Funds may hold portfolio investments for longer than the typical hold period for many private equity funds, and may take from ten to fifteen years or longer from the date of initial investment to reach a state of maturity when the applicable General Partner and the Adviser determine that realization of the investment is desirable. Therefore, it is likely that no significant liquidity from the disposition of a Fund's investments will occur for a significant period of time after the first closing of the Fund. Certain of the Funds' investments may not be disposed of in an advantageous manner prior to the date that the applicable Fund will be dissolved, either by expiration of such Fund's term or otherwise. No assurance can be given in any such circumstances that a Fund will have received a return of its invested capital or that the Fund will otherwise be able to exit its investments by sale or other disposition (at attractive prices or at all). In addition, one or more of a Fund's investments may be held for longer than such Fund's term.

Illiquidity of Portfolio Investments

It is anticipated that all or a substantial portion of the Funds' investments will consist of securities that are subject to restrictions on sale by the Funds because they were acquired from the issuer in

“private placement” transactions or because the Funds will be deemed to be an affiliate of the issuer. Generally, the Funds will not be able to sell these securities publicly in the U.S. without the expense, time and other burdens required to register the securities under the Securities Act of 1933, as amended (the “Securities Act”), or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Funds may be deemed an “underwriter”, or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

In addition, practical limitations may inhibit the Funds’ ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Funds will own a relatively large percentage of the issuer’s equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Funds’ investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Concentration of Investments

The Adviser expects that each Fund will make between five and eight portfolio investments within a limited geographic area and primarily in the consumer products and services industry and the technology and technology enabled services industry. As a result, the Funds’ investment portfolios will be highly concentrated within relatively few investments, regions and industries, and the performance of a few holdings may substantially affect a Fund’s aggregate return. Concentration within a limited number of industries or geographies will typically involve risks greater than those of investment funds that invest across a broader range of industries or geographies.

Leveraged Nature of Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Funds’ investments will from time to time involve significant leverage, as a result of which operating problems and other general business and economic risks may have a pronounced effect on the profitability or survival of the Funds’ portfolio companies. Also, a company with substantial leverage may be at risk of increases in interest rates and therefore increases in interest expenses. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Contingent Liabilities on Disposition of Portfolio Investments

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of such portfolio company, and to indemnify the purchasers of such investment if those representations are inaccurate. The General Partners may establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the relevant Fund, the investors of such Fund may be required to repay to the Fund or to pay to creditors of the Fund distributions previously received by them.

Improvement in Portfolio Company Operations Critical to Investment Success

The success of a Fund's investment strategy depends on the effectiveness of efforts to improve the operating performance of portfolio companies following investment. Initiatives that may need to be taken in an effort to achieve improvements in operating performance include, among others, introductions of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in manufacturing, overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the General Partners and the Adviser, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment is likely to lead to losses or poor returns on investments.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that the Funds will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by the Funds, contractual arrangements between the portfolio company and the Funds, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Funds. In addition, because of their equity ownership, representation on the board of directors and/or contractual rights, the Funds will often be thought to control, participate in the management of or influence the conduct of portfolio companies. These factors could expose the assets of the Funds to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Special Risks Associated with Non-U.S. Investments

The Funds may invest a portion of their capital commitments in portfolio companies that are headquartered and that have their principal operations outside of the United States. These investments involve special risks not typically associated with investments in the securities of issuers located in the United States, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability, (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, and the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates and (d) tax-related issues, including the possibility of withholding or other taxes (including on dividends, interest payments or capital gains), confiscatory foreign taxes, and the possibility of double taxation of income earned overseas and (e) increased exposure to liabilities arising from a portfolio company's breach of applicable anti-corruption or other foreign laws or regulations. Because these investments may involve non-U.S. dollar currencies the Funds may be adversely affected by changes in currency rates (including as a result of the devaluation of a foreign currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies.

The Funds may, but are not required to, engage in currency hedging transactions. There can be no assurance, however, that the Funds will engage in such hedging transaction at any given time or from time to time, or that such hedging transactions will be available or be available at a reasonable cost, or that such hedging transactions will be effective and actually eliminate the applicable currency risk. Such hedging transactions may even exacerbate any negative impact on the Funds resulting from changes in currency exchange rates. While such transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions.

Lack of Control in Minority Investments

The Funds' investments will in certain circumstances represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. In such cases, the Funds will rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors with whom the Funds is not affiliated and whose interests or views may conflict with the interest of the Funds.

Risks Associated with Evergreen Investments

The Adviser may determine that one or more of a Fund's investments may be held for longer than such Fund's term (such investments, "Evergreen Investments"). Evergreen Investments present heightened risks relating to their longer duration as well as additional risks. While certain guiding parameters are set forth in the Organizational Documents of a Fund, those parameters may be altered in accordance with the amendment procedures applicable to the Organizational Documents and the specific terms of any Evergreen Investment vehicle, including with respect to the payment of Advisory Fees and Carried Interest, will be determined at the time an investment of such Fund is designated as an Evergreen Investment.

The Adviser will obtain a third-party valuation of any investment that it seeks to designate as an Evergreen Investment, and the Adviser's entitlement to any carried interest in respect of such Evergreen Investment will be determined by treating such Evergreen Investment as sold by a Fund at such valuation. However, there is no established market for privately-held portfolio companies, and therefore the valuation of such investments will be difficult, may be based upon imperfect information and is subject to inherent uncertainties. Once a Fund distributes the interests in a vehicle holding Evergreen Investments (at which point the applicable General Partner's entitlement to Carried Interest in respect of such Evergreen Investment is distributed to such General Partner in the form of Evergreen Investment vehicle interests), future profits or losses from such Evergreen Investment will not impact the profits or losses of such Fund, including, without limitation, the determination of any clawback obligation of the applicable General Partner.

Only the approval of a majority-in-interest of investors will be required for the determination that an investment will become an Evergreen Investment, and for approval of the terms of the Evergreen Investment vehicle but the decision will be binding on all investors in a Fund. While investors in a Fund will be permitted to request to increase or decrease their interest in an Evergreen Investment, there is no guarantee that there will be sufficient interest from other investors in reducing or increasing such interests to fully accommodate such requests, or that the

applicable General Partner will be able to identify a third-party to purchase any requested decrease which is not accommodated by allocations to investors seeking to increase. Additionally, the organizational documents of any Evergreen Investment vehicle will set forth certain restrictions and limitation on the ability of investors to transfer their interest in such Evergreen Investment vehicle. Consequently, investors in a Fund may be required to continue to hold an Evergreen Investment beyond such Fund's term, on the terms provided by the Adviser, without the ability to individually determine whether to continue to participate therein.

Financial Market Fluctuations; Political Measures

The Adviser's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Funds operate may undergo substantial changes. General fluctuations in the market prices of securities may affect the value of the Funds' investments and instability in the securities markets will also likely increase the risks inherent in the Funds' investments. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of the Funds.

A Fund's ability to realize investments depends not only on the portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance that such Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so. Renewed volatility in the financial sector may have a material adverse effect on the ability of a Fund to buy, sell and partially dispose of its portfolio company investments. A Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio investments into an illiquid or volatile market, and such Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. A Fund's portfolio companies may depend on the availability of capital financed from third parties and to the extent such capital is not available on reasonable terms or at all, those of a Fund's portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital. In addition, political measures taken in response to market practices or renewed economic instability in the U.S. or abroad may have an adverse impact on such Fund's investments.

Political and Regulatory Environment Related to Financial Markets

The range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. The effect of any such political, regulatory, economic or market outcomes on a Fund could be adverse. For example, in reaction to economic events, regulators in the U.S. and several other countries have undertaken in the past and may undertake in the future regulatory actions and implement other measures to ensure stability in the financial markets.

Despite these efforts and the efforts of securities regulators of other jurisdictions, global financial markets could become and remain extremely volatile.

The recent change in administration of the U.S. executive government, for example, has increased uncertainty regarding future political, legislative or administrative changes that may impact the Adviser, the Funds, the Funds' investments and the investors in the Funds. Significant uncertainty remains in the market regarding the consequences of the change in administration, and the range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. Uncertainty regarding the consequences of the change in administration may have an adverse effect or may cause volatility in the U.S. or global economies and currency and financial markets in the short or long term, as well as the values of a Fund's investments and its ability to execute its investment strategy or the financial prospects of its investments. Such changes could impact the laws and regulations applicable to the Adviser, a Fund or its investments. While certain of such changes could beneficially impact a Fund or its investments, other changes may more beneficially impact competitors, or could adversely impact a Fund, its investments or its investors.

Certain of a Fund's investments may be materially adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant new regulations that could limit such Fund's or the underlying fund's activities and investment opportunities or change the functioning of capital markets. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing their risks.

Market Disruption, Terrorism and Geopolitical Risk

The Funds are subject to the risk that war, terrorism and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Funds' investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Funds' investments. At such times, a Fund's exposure to a number of other risks described elsewhere in this section can increase.

United Kingdom Exit from the EU

A non-binding referendum took place in the United Kingdom (the "UK") on June 23, 2016 on whether the UK should remain in or leave the European Union (the "EU"). The outcome of the referendum resulted in an overall vote to leave the EU. In order to start the process to leave the EU, the UK government, in late March 2017, invoked Article 50 of the Treaty on European Union (the "TEU"), which contains a procedure for withdrawal. The invocation of Article 50 starts the two year process for the UK to exit the EU contemplated by the TEU. The consequences of the referendum and any subsequent process to withdraw from the EU are uncertain, but may have a material adverse effect on the UK, European and global economies and currency and financial markets, the values of a Fund's investments and its ability to execute its investment strategy.

Cyber Security Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as a Fund, its portfolio companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of the Funds, the General Partners, the Adviser, the Funds' portfolio companies and/or any of their third-party service providers may adversely impact the Funds or the investors. For instance, cyber-attacks may interfere with the processing of investor transactions, impact a Fund's ability to value its assets, cause the release of private investor information or confidential information of such Fund, impede trading, cause reputational damage, and subject such Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. A Fund may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. A Fund and its investors could be negatively impacted as a result. While the Funds or the Funds' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Funds invest, which could result in material adverse consequences for such issuers and may cause the portfolio investments therein to lose value.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited partnerships (the "General Partners") serve as general partners of the Funds, each of which are related persons of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"),

establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: the Adviser's Chief Compliance Officer at info@covehillpartners.com.

Participation or Interest in Client Transactions

The Adviser, Adviser Investors and members of the Executive Advisory Board may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may, from time to time conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser may, from time to time, establish certain investment vehicles through which Adviser Investors or members of the Executive Advisory Board may invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as "co-investment vehicles," may, in certain instances, be contractually required to purchase and sell certain

investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles do not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) Generally, each Fund has (or will have) an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees will play an important role in resolving conflicts by approving or disapproving the appropriateness of decisions that involve significant conflicts of interest referred to it the appropriate General Partner;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Fund's Governing Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include Adviser Investors and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

Each member of the Executive Advisory Board will have the right to purchase a portion of each transaction sourced by such member, and any portion so purchased will not be available to a Fund. The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are generally set forth in the instrument under which the Fund was established (such as a Fund’s Organizational Documents). To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds or other persons. This obligation to offer investment opportunities will generally be set forth in a Fund’s Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.

- Legal and Regulatory Exclusions: the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. There can be no assurance that the application of the Investment Allocation Requirements and factors set

forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and may be permitted to invest directly in Funds and will therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser expects that it will from time to time determine that it is desirable for all or any portion of an investment opportunity to be purchased by third parties including, without limitations, investors, strategic partners, other investors or such persons acting as finders or brokers of transactions or other third parties, and any such amounts may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents and as set forth in the following paragraphs.

No investor has a right to participate in any such co-investment opportunities and investing in a Fund does not give an investor any rights, entitlements or priorities to co-investment opportunities, subject to any side letter entered into with an investor that provides such investor with certain rights in respect of co-investments. Decisions regarding whether and to whom to offer such co-investment opportunities, as well as terms on which a co-investment is made, are made in the sole discretion of the General Partner of the applicable Fund. Such co-investment opportunities typically will be offered to some and not other investors, in the sole discretion of the General Partner and investors may be offered a smaller amount of co-investment opportunities than originally requested. In addition, third parties – rather than one or more investors – will from time to time be offered such co-investment opportunities, in the sole discretion of the applicable General Partner. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity

in order to permit such potential co-investment party to evaluate the investment opportunity;

- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, competitive, confidentiality, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) and other value to current or future Funds, portfolio companies and/or the Adviser.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangements with such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be

consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may, from time to time be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. In certain instances, clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund will

at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will consider the factors it deems to be relevant in its sole discretion. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Organizational Documents of the applicable Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the Organizational Documents, the Adviser may charge (or may decide not to charge) a co-investor (such as a Fund Investor or Third Party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity. Co-investment vehicles (including co-investment vehicles for the General Partner's investment or the investment of any member of the Executive Advisory Board) are generally not direct parties to the equity commitment arrangements

or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Fund would be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

Cross-Transactions

In certain cases, the Adviser may seek to cause a Fund to purchase investments from another Fund, or it may seek to cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds.

In determining whether to seek to consummate such a transaction, the Adviser will consider its duties to the applicable Fund and determine whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Organizational Documents of the Funds may contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

Management of the Funds

The Adviser will manage a number of Funds that may have investment objectives similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any

such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. The Adviser may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, a Fund may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

The Adviser may, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds will be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Funds.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio

company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit (e.g., through ownership, employment or other interest). These relationships that the Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company.

The Adviser, its affiliates, and partners, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. Officers, principals and employees of the Adviser may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing Adviser personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Additionally, while the significant interests of officers, principals and employees of the Adviser in a Fund's portfolio companies generally aligns the interest of such persons with the Fund, such persons may have different interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity).

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser would not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of many of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such general partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Fund Level Borrowing

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or

follow-on investments, to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would generally be used for all limited partners in such Fund on a pro-rata basis, including the general partner. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally will later make capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than it otherwise would be without fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to the investors in satisfaction of the preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by a Fund will generally be secured by capital commitments made by the investors in such Fund and/or by such Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of "unrelated business taxable income."

Executive Advisory Board; Providers of Operations Support

The Adviser has established an executive advisory board (the "Executive Advisory Board") comprised of senior, experienced executives and academics. It is anticipated that the members of the Executive Advisory Board will provide sourcing and due diligence services to the Adviser. As compensation for such services, the members of the Executive Advisory Board will have an opportunity to invest in the Funds without paying Advisory Fees or bearing Carried Interest and may be able to earn a portion of the Carried Interest generated by the Funds.

In addition, the Adviser, the Funds and/or the portfolio companies may from time to time retain other companies and individuals to provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies. Such providers may include members of the Executive Advisory Board to the extent that they are engaged to perform services beyond the sourcing, due diligence and/or investment-related efforts, as well as employees of portfolio companies, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), "operating partners" or "senior advisors" (together, "Operations Support Providers"). The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services

to the Funds and/or the portfolio companies. Certain of the Operations Support Providers may serve on the boards of directors of companies unrelated to those held by the Funds (including companies that are competitors of, customers of, or service providers to, the portfolio companies). These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support Providers may be offered the ability to co-invest alongside Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Funds, fees and expenses associated with such providers (“Operations Expenses”) will typically be paid and/or reimbursed by portfolio companies and/or the Funds and will be determined at the discretion of the applicable General Partner taking into account the particular services to be performed. Operations Expenses may include an annual fee or retainer, a discretionary bonus, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation. Such fees and expenses will not be included in the determination of the Advisory Fee offset described in above and to the extent such providers are compensated directly by the Adviser or its affiliates, any reimbursement to the Adviser by a portfolio company or a Fund will not be considered an Other Fee. Because such costs and expenses are paid for by portfolio companies and/or the Fund or, if incurred by the Adviser, are reimbursed by portfolio companies and/or the Funds, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing the portfolio companies or the Fund to incur) such expenses. Over time, certain existing and former employees of the Adviser (including senior personnel) may transition to an Operations Support Provider role, which may shift the burden of compensation such persons from the Adviser to the applicable Fund and/or its portfolio companies.

The Adviser believes any such potential conflicts of interest are mitigated by the quality, availability or other benefits to be realized from the services to be provided.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, may be situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies of the Funds or, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies of the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

In addition, certain portfolio companies controlled by a Fund may, from time to time in the future engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Adviser may have an incentive to recommend the products or services of certain investors or prospective investors in the Funds, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

In certain situations, a Fund may invest in a portfolio company in which an investor, directly or indirectly holds an interest or otherwise derives a financial or other benefit. While not generally anticipated to occur, such transactions create a conflict of interest because the Adviser may have an incentive to cause the Fund to make an investment in such a portfolio company and/or to structure the terms of such investment in a manner that is believed to strengthen and/or cultivate relationships that may provide benefits to current or future related Funds and/or the Adviser and as a result, such conflicts of interest could affect the negotiations of the terms of the investment. To the extent such a transaction arises, the Adviser believes that the economic arrangement of the Adviser and its affiliates (e.g., the carried interest that it would receive) and the requirement that the personnel of the Adviser have exposure to such portfolio companies through their investments in a Fund.

Portfolio companies controlled by a Fund may, from time to time in the future provide services to certain Fund investors. The Adviser has an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's

business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to the portfolio company owned by another Fund.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to the Adviser or its affiliates. For example, the Adviser may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Employees of the Adviser may serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Funds, it is expected that the interests will generally be aligned.

Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

Service Providers

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers may be, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). This creates a conflict of interest, as the Adviser may give such investor preferred terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of a Fund), there is a possibility that the Adviser may favor such retention or continuation because of its own (or a related party's) interests even if a better price and/or quality of service could be obtained from another person. The Adviser will have a conflict of interest with a Fund in recommending the retention or continuation of a service provider to such Fund or a portfolio company because of its financial or other business interest, such as its belief that the service provider will continue to invest in such Fund or will provide other services that are beneficial to the Adviser.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies. Notwithstanding the foregoing, the Adviser generally does not anticipate it will enter into any arrangement with a service provider that provides for a lower rate or discount than those available to a Fund or a portfolio company for comparable services.

Side Letter Agreements; Advisory Committee Rights

The Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Many of the Funds have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the advisory committee.

Other Potential Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been

contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser and its personnel may from time to time receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the platform. The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. The Holding Company’s costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and

other compensation (e.g., Carried Interest) received by the Adviser or its affiliates. In addition, as the Adviser or its affiliates earns Advisory Fees and Carried Interest from the Fund, the Adviser or its affiliates will benefit from the assets, income and gains of Holding Company.

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund, because the General Partner has an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

The Organizational Documents of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information will typically be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund's General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's Managing Partner takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's CCO will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Managing Partner and other investment professionals of the Adviser .

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund after the fiscal year end of such Fund, as well as quarterly performance reports after each fiscal quarter end. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser may from time to time in the future engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("Votes"). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings,

taking into account the relevant Fund's investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser's Chief Compliance Officer (the "CCO") or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser's Vote.

All Voting decisions initially are referred to the Adviser's Managing Partner or appropriate professional for a voting decision. In most cases, the Adviser's Managing Partner will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to the Adviser's Chief Compliance Officer at info@covehillpartners.com.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.