

INVESTMENT ADVISER BROCHURE

NEWLIGHT PARTNERS, LP

Newlight Partners, LP
10F, 390 Park Avenue, New York, New York

July 10, 2019

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of Newlight Partners, LP (the "Adviser" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (212) 205-2684 or david.taylor@scipartnerslp.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration with the SEC does not imply a certain level of skill or training.

Additional information regarding the Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

Since the previous annual amendment filed in March 2019, there have been the following material changes:

- The Company changed its name to Newlight Partners LP on July 8, 2019
- The General Partner of the funds changed its name to Newlight GP, LLC on July 8, 2019

If you are interested in receiving the most current copy of this Brochure, please contact our office by email at david.taylor@scipartnerslp.com.

TABLE OF CONTENTS

Item 2 Material Changes.....	1
Item 4 Advisory Business.....	3
Item 5 Fees and Compensation	3...
Item 6 Performance-Based Fees and Side-By-Side Management.....	6
Item 7 Types of Clients.....	6
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 Disciplinary Information	21
Item 10 Other Financial Industry Activities and Affiliations	21
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	21
Item 12 Brokerage Practices	22
Item 13 Review of Accounts	24
Item 14 Client Referrals and Other Compensation	24
Item 15 Custody	24
Item 16 Investment Discretion.....	24
Item 17 Voting Client Securities	24
Item 18 Financial Information.....	25

ITEM 4 ADVISORY BUSINESS

The Adviser, a Delaware limited partnership, provides investment advisory services to investment vehicles and funds privately offered to qualified investors in the United States and elsewhere. The Adviser was formed in March 2018 and commenced operations in October 2018. The Adviser is principally owned by David Wassong and Ravi Yadav (together, the "**Principals**"). Unless the context otherwise requires, references in this Brochure to the Adviser or the Firm include both Newlight Partners, LP, and any future investment advisers and fund general partner entities with which it is affiliated.

The Adviser's clients are an existing private investment fund (the "**Fund**") and a newly formed investment vehicle (the "**New Account Vehicle**") and together with the Fund and any other related investment vehicles and future private investment funds to which the Adviser provides investment advisory services, the "**Funds**").

The Adviser's investment advisory services to the Funds are detailed in the relevant Fund's management agreement, partnership agreement and/or other governing or offering documents (collectively, the "**Governing Documents**") and generally consist of some or all of the following: identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where the Funds invest in operating entities ("**portfolio companies**"), the Principals or other personnel of the Adviser or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence management of portfolio companies in which the Funds have invested.

The Adviser's advisory services to the Funds are further described below under Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Governing Documents. The Funds or their affiliates generally expect to enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights under, or otherwise altering or supplementing the terms of, the relevant Governing Documents with respect to such investors. As described further in Item 8, the Adviser expects from time to time to provide co-investment opportunities to certain Fund investors or other parties.

As of December 31, 2018, the Adviser managed client assets of \$3,471,724,219.

ITEM 5 FEES AND COMPENSATION

In general, the Adviser or an affiliated entity receives a management fee (the "**Management Fee**") and a carried interest in connection with advisory services. Investors in the Funds also bear certain expenses. The Adviser, its affiliates, employees, agents, advisors or representatives and/or the Principals expect to receive additional compensation in connection with the companies in which the Funds invest, including deal fees, finders' fees, transaction fees, investment banking fees, consulting fees, advisory fees, monitoring fees, break-up fees, directors'

and board fees and other fees and similar compensation that are attributable to Fund investments (collectively, "**Transaction Fees**"). In certain circumstances, as more fully described in the Governing Documents, Transaction Fees will offset in whole or in part the Management Fees otherwise payable to the Adviser (net of any unrecouped expenses which the Adviser has elected to pay on behalf of the relevant Fund), excluding amounts remitted to the Fund in accordance with the relevant Governing Documents. To the extent permitted under the relevant Governing Documents, the Adviser generally expects to retain any offset credit remaining at the end of the term of a Fund and no rebate will be made to such Fund. For the avoidance of doubt, Transaction Fees received on behalf of or with respect to an investment in which a Fund and one or more other Funds or persons have invested generally will be apportioned among such Fund(s) and other persons, and as a result, to the extent a Fund receives a Management Fee offset, it will, in most cases, only benefit with respect to its allocable portion of the relevant Transaction Fee and not the portion of any Transaction Fee that relates to other participants in the relevant investment, which has the potential to be significant.

Management Fees

The Funds pay the Adviser the Management Fee. Each Fund's Management Fee is described in such Fund's Governing Documents.

Carried Interest

The Adviser or an affiliated entity generally receives a carried interest in connection with advisory services. The carried interest received by the Adviser or an affiliated entity with respect to each Fund is described in such Fund's Governing Documents.

Other Expenses

In addition to the Management Fee and carried interest payable to the Adviser or its affiliated entity, each Fund bears certain expenses as provided in its Governing Documents. Such expenses generally include, with respect to a Fund's investments, all fees, costs, expenses, liabilities and obligations relating to such investments, including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the acquisition and disposition of such investments, including structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, managing, monitoring, operating, holding, restructuring, selling, winding up, liquidating, or otherwise disposing of, as applicable, such investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, third-party diligence software and service providers, consultants and similar professionals in connection therewith, whether or not any contemplated transaction is consummated and whether or not such activities are successful); (ii) brokers, dealers, finders, underwriting (including both commissions and discounts), investment banker and similar services; (iii) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (iv) legal, accounting, auditing, administration, information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services (other than as set forth in the Governing Documents)), consulting, tax and other professional services; (v) reverse breakup, termination and other similar fees; (vi) directors and officers liability, errors and omissions

liability, crime coverage and other insurance and regulatory expenses; (vii) filing, title, transfer, registration and other similar fees and expenses; (viii) the preparation, distribution or filing of investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (ix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith, and indemnification payments in respect thereof; (x) any fee, cost, expense, liability or obligation relating to any AIV or its activities, business, portfolio companies or actual or potential investments; (xi) complying with any law or regulation related to such investments; (xii) any governmental inquiry, investigation or proceeding involving the investments, including the amount of any judgments, settlements or fines paid in connection therewith and any taxes, fees and other governmental charges levied against the investments and all expenses incurred in connection with any tax audit, investigation settlement or review of such investments; (xiii) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; and (xiv) costs and expenses of the types described in (i) - (xiii) that relate to investments not consummated ("**broken deal expenses**"). The Adviser generally bears the ordinary overhead and administrative expenses incurred in connection with maintaining and operating its offices including compensation, rent and office equipment and expenses incurred in respect of the registration or compliance of the Adviser with the Advisers Act and other regulatory requirements applicable to it, and any general administrative expenses incurred with respect to Fund investments. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in Item 12 "Brokerage Practices."

Additionally, as further described herein and in the applicable Governing Documents, the Firm expects to retain certain operating partners or similar consultants to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more of the Funds invest. Such operating partners will be compensated for such services by the relevant Fund or portfolio companies and not by the Firm and such compensation does not offset the Management Fee payable by certain Funds. The use of operating partners subjects the Firm to conflicts of interest, as discussed under Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss - Conflicts of Interest" below.

To the extent that the Adviser has multiple Fund clients, in certain circumstances, it is possible that one Fund will pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, the Adviser is expected to advance amounts related to the foregoing and receive reimbursement from the Fund(s) to which such expenses relate.

In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial, in the judgment of the Adviser, ultimately is

not consummated, all "broken deal" expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction.

In certain circumstances, the Adviser will have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser on the other hand. The Adviser is permitted to exempt certain investors from payment of all or a portion of Management Fees and/or carried interest, including the Adviser, persons affiliated with the Adviser and any other person designated by the Adviser.

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

As described further in Item 5 "Fees and Compensation" the Adviser or an affiliated entity receives a carried interest in certain realized profits of the Funds. The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors.

ITEM 7 TYPES OF CLIENTS

The Adviser provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds currently include high net-worth individuals and their related entities and may in the future include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, the Principals or other employees of the Adviser and members of their families, operating partners or other service providers retained by the Adviser.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the Governing Documents of such vehicles and the related Fund. To the extent that the Funds have minimum investment amounts, such amounts are set forth in the relevant Governing Documents. Fund interests generally are offered and sold solely to qualified purchasers.

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

General

The Adviser is a private investment firm focused on private equity, real estate, infrastructure, growth equity and venture capital investments. The Adviser's investment advisory

services include identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

The Adviser commenced operations following a spin-out from a family office that relies on the exemption contained in rule 202(a)(1)(G)-1 for family offices (the "**Family Office**") under the Advisers Act after the Fund and New Account Vehicle become advisory clients of the Adviser. It is expected that the Family Office and other third party managers will also provide investment advice to the Fund and New Account Vehicle. As further detailed in the relevant Governing Documents, the Firm's investment strategy for the Funds will focus on direct private equity investments, including acquisitions, recapitalizations, restructurings, workouts, structured financings and other related transactions, whether in controlling or minority investments. To the extent that a Fund acquires a majority, control or (in some cases) a significant non-control interest in an operating company, the Adviser seeks to implement an effective operating strategy to improve the performance of the acquired company by (i) developing restructuring and operating plans, (ii) building the management team (iii) providing capital markets advice or assistance, (iv) providing advice with respect to mergers and acquisitions and (v) providing significant resources to such company. From time to time, a Fund may form and fund "platform" companies, where a Fund forms a portfolio company and recruits a management team to build the portfolio company through acquisitions and organic growth. Typically after recruiting and partnering with a management team to lead a new portfolio company, the relevant Fund will commit start-up capital to fund the operations of the portfolio company which includes the overhead of the management team and any diligence and related expenses incurred in pursuing acquisition opportunities.

There can be no assurance that the Firm will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

The Adviser pursues investments globally in a variety of industries and across strategies, including buyouts, real estate, infrastructure, structured investments, growth equity and venture capital investments. The Adviser seeks to acquire and build portfolio companies in partnership with experienced management teams and pursues investments in securities and assets with potential to generate attractive returns on investment. The Adviser focuses on unlocking value in the capital structure of portfolio companies owned by the Funds and seeks opportunities for exits and dispositions, including full or partial realization of investments.

Risks of Investment

Each Fund and its investors bear the risk of loss that the Adviser's investment strategy entails. The risks involved with the Adviser's investment strategy and an investment in a Fund include, but are not limited to:

Absence of Operating History. The Principals and other personnel of the Adviser historically have operated as employees of the Family Office and received significant support from the Family Office. While the Principals and other personnel of the Adviser have previous experience making and managing investments similar to those that will be made and managed by

the Adviser, the Principals and other personnel have limited experience managing and investing a committed pool of funds as an independent entity from the Family Office. Furthermore, there can be no assurance that any Fund's investments will achieve results similar to those attained by previous investments of the Principals and other personnel of the Adviser while they were employees of the Family Office. In addition, the Adviser's investment decisions may differ from previous decisions made by the Principals in a number of respects, including due to the fact that the Principals and other personnel previously provided investment advice on a discretionary and non-discretionary basis as employees of the Family Office prior to the spin-out and the Adviser will provide investment advice to the Funds on a discretionary basis.

Business Risks. Certain of the Funds' private equity investments are expected to consist of securities issued by non-public troubled companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

Concentration of Investments. Each Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. In particular, the business of identifying, structuring and completing private investment transactions is highly competitive and involves a high degree of uncertainty.

Dynamic Investment Strategy. While the Adviser generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein and in the relevant Governing Documents, the Adviser may pursue additional investment strategies and may modify or depart from its current investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Governing Documents. The Adviser may pursue investments outside of the industries and sectors in which its personnel have previously made investments or have internal operational experience.

Growth Equity Transactions. A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Regulation and Enforcement. The Adviser expects that the Funds will make private equity investments. The growth of the private equity industry, and the increasing size and reach of transactions, has prompted additional governmental and public attention to the industry and its practices. In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. Consortium bids are deals in which two or more unaffiliated entities either provide equity financing or divide the target business being acquired. These transactions can range in size from large private equity club deals in which the target remains intact to much smaller deals in which a target is broken up and sold to multiple strategic buyers. Private equity firms that engage in potentially anti-competitive practices in an otherwise permissible and lawful club deal could be liable for monetary damages to former shareholders of target companies and could be subject to U.S. Department of Justice (the "DOJ") investigation and civil and criminal prosecution resulting in fines. The Antitrust Division of the DOJ has previously issued information requests relating to private equity transactions among multiple fund sponsors, and in 2014 several fund sponsors settled claims that they had conspired to not bid against each other on eight large "take-private" buyouts that occurred prior to the 2008 global financial crisis. There can be no assurance that the Funds will not be subject to third-party litigation and/or investigations involving consortium bids.

Investments in Real Estate. The Adviser expect that the Funds will make real estate and/or real estate related investments. The Funds' real estate and/or real estate related investments will be subject to the risks inherent in the ownership and operation of real estate. Special risks associated with such investments include, but are not limited to: (i) changes in the general economic climate, (ii) local, national or international conditions (such as an oversupply of space or a reduction in demand for space), (iii) the quality and philosophy of management, (iv) competition based on rental rates, (v) attractiveness and location of the properties and changes in the relative popularity of property types and locations, (vi) changes in the financial condition of tenants, buyers and sellers of properties, (vii) changes in operating costs and expenses, (viii) uninsured losses or delays from casualties or condemnation, (ix) changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, (x) the availability of financing, (xi) interest rate levels, (xii) environmental liabilities, (xiii) contingent liabilities, (xiv) successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), (xv) acts of God, acts of war (declared or undeclared), terrorist acts, strikes, union relations and contracts, and (xvi) other factors beyond the control of the Adviser. Real estate values are also affected by factors such as government regulations (including those governing usage, improvements, zoning and taxes, including real estate tax assessments), interest rate levels, and the availability of financing and potential liability under environmental and other laws.

Infrastructure Investments. The Adviser expects that the Funds will make infrastructure investments. Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of a Fund to buy or sell investments on favorable terms. Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets. Infrastructure projects are generally heavily dependent on the operator of the

assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any management fee payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

Leveraged Investments. To the extent permitted under the relevant Governing Documents, a Fund may make use of leverage, including, without limitation, in private equity investments, by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which recently have been at or near historic lows) and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Subject to the relevant Governing Documents, certain investments may be distributed in kind to a Fund's investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which investors eventually sell such securities may be lower than the value of such securities determined pursuant to the relevant Governing Documents,

including the value used to determine the amount of carried interest available to the Adviser or an affiliated entity with respect to such investment.

Non-U.S. Investments. A Fund may invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Distressed Investments. A Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the Adviser will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no

assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio investment, the Adviser may decide to provide additional funds to such portfolio investment or may have the opportunity to increase its investment in a portfolio investment, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio investment in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Focus on Early-Stage and Start-Up Investments. A Fund may make investments in start-up and early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by any Fund will be successful.

Public Company Holdings. Although most Fund investments are expected to be in the securities of private issuers, a Fund's investment portfolio may also contain debt and/or equity securities issued by publicly held companies to the extent permitted by the Governing Documents. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio investment, in certain circumstances it may not have unilateral control of the portfolio investment. To the extent the Fund invests alongside third parties, such as institutional co-investors or private funds of other sponsors, or makes a minority investment, the relevant portfolio investments may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their investors. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking certain non-control positions, a Fund generally will seek

to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value. A Fund may also make smaller investments that have no such negative control or veto rights. Furthermore, when taking minority positions, a Fund will have limited ability to protect its investment through the operation of the relevant companies. In such situations, a Fund will be significantly reliant on the management and board of directors of such companies, which may include representatives of other investors with whom such Fund is not affiliated and whose interests may conflict with the interests of such Fund.

Third-Party Involvement. A Fund may hold portions of investments through partnerships, joint ventures, or other entities with third-party investors. Joint venture investments involve various risks, including the risk that a Fund will not be able to implement investment decisions or exit strategies because of limitations on such Fund's control of the investment under applicable agreements with joint venture partners, the risk that a joint venture partner may become bankrupt or may at any time have economic or business interests or goals that are inconsistent with those of such Fund, the risk that a joint venture partner may be in a position to take action contrary to such Fund's objectives, the risk of liability based upon the actions of a joint venture partner and the risk of disputes or litigation with such partner and the inability to enforce fully all rights (or the incurrence of additional risk in connection with enforcement of rights) one partner may have against the other. In addition, a Fund may be liable for actions of its joint venture partners.

Material Non-Public Information. As a result of the operations of the Adviser and its affiliates, the Adviser frequently comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, might have been undertaken on account of applicable securities laws or the Adviser's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Hedging Arrangements; Related Regulations. In accordance with the relevant Governing Documents, the Adviser may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("**OTC**") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the Adviser and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "**CFTC**") or other regulator or comply with an applicable exemption. Losses may result to the extent that the

CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio investment to hedge its exposures becomes limited by such requirements.

Valuation of Investments. Investments will be valued in accordance with the applicable Governing Documents. Generally, the Adviser will determine the value of all the Fund investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. The Adviser will determine the value of all the Fund's investments based on generally accepted accounting principles as promulgated in the United States and in accordance with the relevant Governing Documents. There can be no assurance that the Adviser will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the Adviser with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the Adviser may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio investment's systems, such portfolio investment may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio investment financial information; (iii) portfolio investment software, contact lists or other databases; (iv) portfolio investment proprietary information or trade secrets; or (v) other items. In certain events, a portfolio investment's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio investment, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Adviser or one of its service providers holding its financial or investor data, the Adviser, its affiliates or the Funds may also be at risk of loss and such loss could impact the Adviser's ability to manage the Funds.

Dilution. Investors admitted to a Fund at subsequent closings participate in then-existing investments of such Fund, thereby diluting the interest of existing investors in such investments. Although any such new investor generally is required to contribute its pro rata share of previously made capital contributions, there can be no assurance that such contribution will reflect the fair value of the relevant Fund's existing investments at the time of such contributions.

Withholding and Other Taxes. The Adviser intends to structure each Fund's investments in a manner that is intended to achieve such Fund's investment objectives. There can be no assurance, however, that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. Also, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable to taxation

or in which a Fund makes portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Fund under the laws of the jurisdiction in which they are liable to taxation. Furthermore, a Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which the companies in which such Fund investments are organized. In addition, certain of a Fund's portfolio investments may be issued with "original issue discount" or may result in the receipt of ordinary dividend income without a corresponding receipt of cash or property. Consequently, an investor's share of taxable income of a Fund for a particular period (and possibly the income tax payable with respect to that income) may exceed the cash or other property distributed by such Fund to such investor in respect of that period.

Significant Adverse Consequences for Default. Each Fund's Governing Documents provide for significant adverse consequences in the event an investor defaults on its capital commitment to the relevant Fund or any other payment obligation. Subject to the relevant Governing Documents, such default remedies may include (i) forfeiture of all or a portion of the defaulting investor's interest in the Fund's investments; (ii) repurchase by the Adviser, any of its affiliates or a third party of all or a portion of a defaulting investor's interest in the Fund's investments at 25% of fair market value; (iii) a lawsuit to collect the overdue amount, with interest; (iv) the accrual of interest on such defaulted capital contribution from its original due date; (v) recoupment and setoff by the Adviser of any amounts distributable to the defaulting investor against any and all payment obligations of the investor to fund the Fund's investments; (vi) advancement by the Adviser or any of its affiliates of any amounts payable by the defaulting investor (which shall be treated as a loan to the defaulting investor payable on demand with annual interest); (vii) reduction of any portion of the commitment of the defaulting investor; and (viii) pursuit and enforcement by the Adviser of all other rights and remedies, to address situations in which the defaulting investor fails to fund any portion of its commitment when called by the Adviser or to otherwise make a payment when due.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategies or achieve their investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators may complicate or prevent the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than they otherwise would have.

Co-investments. From time to time and as permitted by the relevant Governing Documents, the Adviser expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on substantially the same terms as the Fund making the

investment. However, to the extent permitted by the Governing Documents of the relevant Fund(s), for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

Conflicts of Interest

The Adviser and its related entities and personnel engage in advisory and non-advisory activities. The Adviser will devote such time, personnel and internal resources as are reasonably necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, portfolio investments or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant and in accordance with the relevant Governing Documents.

To the extent that the Adviser manages multiple Funds in the future, from time to time, the Adviser will be presented with investment opportunities that would be suitable not only for one Fund, but also for one or more other Funds. In determining allocations among funds, the Adviser is subject to conflicts of interest.

In allocating investment opportunities, the Adviser must determine which Fund(s) will, or are required to, participate in an investment opportunity in accordance with the relevant Governing Documents. One Fund may invest together with another Fund in the manner set forth in the relevant Governing Documents. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and consistent with the relevant Governing Documents.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given

transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Where multiple Funds, including, but not limited to, two Funds pursuing substantially the same strategy in parallel, invest at the same, different or overlapping levels of a company's capital structure, questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest. If additional capital is necessary, Funds may or may not provide such additional capital, and each Fund generally will supply such additional capital in such amounts, if any, as determined by the Adviser in its sole discretion. In these situations, the Adviser may face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund.

Generally, subject to the relevant Governing Documents, during a Fund's investment period appropriate investment opportunities will be pursued by the Adviser through such Fund. To the extent that the available amount of an investment opportunity exceeds the amount that the Adviser determines would be appropriate for the relevant Fund(s), the Adviser may, in its discretion and subject to the relevant Governing Documents, offer such excess to one or more potential co-investors. Allocations of co-investment opportunities will be made in accordance with any relevant contractual agreement with potential co-investors, in a manner consistent with the applicable Governing Documents and on a basis that the Adviser determines in good faith is appropriate based on relevant factors.

It is possible that the Adviser's allocation of investment opportunities among the persons and in the manner discussed herein may not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Adviser will allocate investment opportunities in accordance with the relevant Governing Documents and in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, 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 may be subject, discussed herein, did not exist.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds or other investment vehicles (if any) eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, including provisions of the relevant Governing Documents, expense allocation decisions will generally be made by the Adviser or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion.

As a result of the Funds' controlling interests in portfolio companies, the Adviser and/or its affiliates may to the extent permissible under the Governing Documents have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Unless such amounts are subject to the offset provisions in the Governing Documents, they will be in addition to any Management Fees or carried interest paid by a Fund to the Adviser .

From time to time, the Adviser expects to engage certain operating partners or similar consultants to provide consulting services to the Funds or their portfolio companies, including, without limitation, strategic and operational advice. Operating partners generally make use of the Adviser's resources or otherwise are associated with the Adviser. Such operating partners will be compensated for such services by the relevant Funds or portfolio companies and not by the Firm and such compensation does not offset any applicable management fee. The forms of compensation received by operating partners may include, without limitation, cash fees, retainers, transaction fees, a profits or equity interests in a portfolio company, profits or equity interests in one or more Funds or affiliates of the Adviser, remuneration from the Adviser and/or its Funds or affiliates or other compensation. Compensation typically is determined in accordance with one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating partners, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company.

Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

In many cases, the Adviser exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain investors or their affiliates that are engaged in lending or related business. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser may have an incentive to recommend the related or other person (including a Fund investor) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the

Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Unless otherwise agreed with the relevant Fund, the Adviser may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by the Adviser, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value.

The Adviser may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Adviser; conversely, current or former personnel or executives of the Adviser may serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or the Funds or other investment vehicles they advise. The Adviser may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. 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 for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

In certain circumstances, current Adviser personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at the Adviser. Under such arrangements, the Adviser and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in additional offsets to the

Management Fee. Due to the nature of secondees relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to the Adviser at the end of such secondees arrangement. Additionally, former employees of the Adviser may be employed by a portfolio company and the compensation they receive as portfolio company employees will not result in additional offsets to the Management Fee.

As mentioned above, from time to time, a Fund may establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While the relevant Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate, administer and manage the platform on a daily basis. In such cases, the relevant Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset any Management Fee paid by the Funds.

Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by the Adviser and its personnel to the Funds, and certain Adviser professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Because the Adviser (and not the Funds) otherwise generally pays the salaries of its employees, the Adviser has an incentive to cause a platform investment to retain its own management team instead of relying on the Adviser's employees to provide managerial services, or to deploy existing Adviser employees as members of such platform investment's management team. In addition, the Adviser generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to other Funds and/or portfolio companies.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Because Management Fees are, at certain times based upon capital invested by such Fund, the Adviser may have an incentive to deploy capital when it might not otherwise have done so.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts

from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

ITEM 9 DISCIPLINARY INFORMATION

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

To the extent that the Adviser is affiliated with other advisory entities or fund general partners in the future, the Adviser and any such affiliates will operate as a single advisory business together and generally will share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Adviser has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Principals and employees and addresses conflicts that arise from personal trading. The Code requires Adviser personnel to report their personal securities transactions and prohibits Adviser personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to David Taylor, the Adviser's Chief Compliance Officer, at (212) 205-2684. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Adviser and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Adviser.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, the Adviser generally would be prohibited from communicating such information to clients or using such information for clients, and the Adviser will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Adviser personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and

may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

ITEM 12 BROKERAGE PRACTICES

Many of the Adviser's investments, including private equity investments, are privately-negotiated transactions in which the services of a broker-dealer may be retained. In addition, the Adviser may distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists, in connection with these and other investments. To the extent that the Adviser trades public securities on behalf of the Funds, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them. Such research services could include economic research, market strategy research, industry research, company research and research services. As a general matter, research provided by these brokers would be used to service all of the Adviser's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by the Adviser, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between the Adviser and its affiliates.

The Adviser will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, the Adviser may, in its discretion, cause the Funds to

pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Adviser has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Adviser would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Adviser will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with the Adviser's goal to obtain best execution for their clients, the Adviser may seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Adviser allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution. To the extent the Adviser uses "soft dollars" on behalf of the Funds, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

With respect to public securities transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations may be permissible under the Governing Documents provided they are fair and equitable to Funds over time.

In the Adviser's private company securities transactions on behalf of the Funds, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, the Adviser may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more

subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

ITEM 13 REVIEW OF ACCOUNTS

The Adviser monitors portfolio investments of the Funds, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

The Adviser will generally endeavor to cause portfolio companies to provide to its clients (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) other reports relating to portfolio investments or activities of the Funds, as provided in the relevant Governing Documents.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the relevant Governing Documents, this compensation may, in many cases, offset a portion of the Management Fee paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to management fees. *See* "Fees and Compensation."

ITEM 15 CUSTODY

To the extent the Adviser or its affiliates are deemed to have custody of a Fund's assets, the relevant entity will comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled vehicle annual audit provision.

ITEM 16 INVESTMENT DISCRETION

The Adviser will have discretionary authority to manage investments on behalf of each Fund. As a general policy, the Adviser does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, the Adviser and/or its affiliates may enter into agreements whereby the terms applicable to a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed on behalf of such Fund.

ITEM 17 VOTING CLIENT SECURITIES

The Adviser has adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Fund's portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund's investors, and therefore will not seek investor approval or direction when voting proxies. In the event that there

is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict through various alternatives set forth in the Proxy Policy. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. Clients or investors that would like a copy of the Adviser's complete Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio companies may contact David Taylor, the Adviser's Chief Compliance Officer, at (212) 205-2684, and it will be provided at no charge.

ITEM 18 FINANCIAL INFORMATION

The Adviser does not require prepayment of management fees six months or more in advance or have any other events requiring disclosure under this item of the Brochure.