

BROCHURE
(Form ADV Part 2A)



R A I N E C A P I T A L L L C

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March 29, 2019

This Brochure provides information about the qualifications and business practices of Raine Capital LLC ("Raine"). If you have any questions about the contents of this Brochure, please contact us at (212) 603-5500 or by email at legal@raine.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, and references in this Brochure to Raine as a "registered investment adviser" are not intended to imply a certain level of skill or training. This Brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment or investment vehicle. Additional information about Raine is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Raine routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures and in response to evolving industry and firm practices.

Since its last annual update of the Brochure on March 29, 2018, Raine filed an other-than-annual update of the Brochure on August 20, 2018 to report a change in the address of its principal place of business. There have been no material changes to Raine's investment management business, fee structure, business practices, conflicts of interest and/or disciplinary history since its last annual update. However, please carefully read Items 5, 8 and 10, which include updated disclosures regarding certain fees and expenses, potential risks of loss and potential conflicts of interest. Current and prospective investors are urged to review the Brochure in its entirety.

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ITEM 4 – ADVISORY BUSINESS

Item 4.A – Advisory Firm

Raine Capital LLC, a Delaware limited liability company, is an investment advisory firm based in New York, New York that was founded in 2009 by industry veterans Joseph Ravitch and Jeffrey A. Sine. Raine Capital LLC is registered as an “investment adviser” under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Raine also maintains offices in Los Angeles, San Francisco, London, Shanghai and Mumbai. Registration does not imply a certain level of skill or training.

Raine typically provides investment advisory services on a discretionary basis to certain closed-end private investment funds and certain open-end private investment funds. Specifically, Raine primarily provides investment advice to the Raine PE Funds (as defined below) as well as certain special purpose investment vehicles that may co-invest alongside the Raine PE Funds in the same portfolio companies in which the Raine PE Funds invest. The Raine co-investment vehicles (as defined below) are formed from time to time, in Raine’s discretion, for the purpose of permitting (i) certain investors in the Raine PE Funds to increase, on a discretionary basis, the amount that they invest in certain portfolio companies in which the Raine PE Funds are investing and/or (ii) one or more third parties that are not investors in the Raine PE Funds to invest alongside the Raine PE Funds in certain portfolio companies in which the Raine PE Funds are investing. Generally, unlike the Raine PE Funds, each Raine co-investment vehicle is established for the specific purpose of making an investment (and any related follow-on investment) in one specific portfolio company in which a Raine PE Fund is investing. Accordingly, once established, a Raine co-investment vehicle typically will not make investments in additional portfolio companies. In addition to the Private Equity Funds (as defined below), Raine provides investment advice to the Hedge Funds (as defined below).

Raine is a wholly-owned subsidiary of The Raine Group LLC, a Delaware limited liability company, which is principally owned by Raine Holdings LLC. Joseph Ravitch and Jeffrey A. Sine are the principal owners of Raine Holdings LLC.

As used in this Brochure:

- “Raine,” “Manager,” “we,” “us” and “our” refer to Raine Capital LLC and its investment advisory business;
- the “Raine Group” refers to Raine Holdings LLC, Raine Holdings AIV LLC and their controlled affiliates;
- the “Raine broker-dealer” refers to Raine Securities LLC;
- the “Raine Growth Funds” refers to those closed-end private investment funds managed by Raine that follow a “growth equity” investment strategy, together with any parallel and alternative investment vehicles relating to them;
- the “Raine Venture Funds” refers to those closed-end private investment funds managed by Raine that follow a “venture capital” investment strategy, together with any parallel and alternative investment vehicles relating to them;
- the “Raine PE Funds” refers to the Raine Growth Funds and the Raine Venture Funds;

- the “Raine co-investment vehicles” refers to special purpose vehicles or similar arrangements formed to co-invest alongside the Raine PE Funds in certain portfolio companies;
- the “Private Equity Funds” refers collectively to the Raine PE Funds and the Raine co-investment vehicles;
- the “Hedge Funds” refers collectively to those open-end private investment funds managed by Raine and any parallel and alternative investment vehicles relating to them;
- the “Raine clients,” “its clients,” “our clients,” “advisory clients” and the “Raine investment vehicles” refer to the Private Equity Funds and the Hedge Funds, and any future private fund sponsored or managed by Raine, as the context requires;
- “investors” refers to investors in the Private Equity Funds and/or the Hedge Funds, as applicable;
- the “General Partner” or the “Managing Member” refers to any affiliate of Raine that currently serves as or that may be formed to serve as the general partner or managing member, as applicable, of any Private Equity Funds or Hedge Funds or of any parallel or alternative investment vehicles of any such funds;
- “portfolio companies” refers to any company in which any Private Equity Fund or Hedge Fund hold an investment;
- the “principals” refers to Joseph Ravitch and Jeffrey A. Sine;
- “Raine’s core sectors,” “its core sectors” and “our core sectors” refer, in respect of the Private Equity Funds, to the technology, entertainment, sports, gaming, lifestyle, digital media and internet sectors, and, in respect of the Hedge Funds, to the Technology, Media and Telecommunications (“TMT”) sectors;
- the “Thematic Hedge Funds” refers to those Hedge Funds pursuing strategies focused on particular TMT sub-sectors; and
- the “TMT Hedge Funds” refers to those Hedge Funds pursuing strategies focused on the TMT sectors overall.

Item 4.B – Types of Advisory Services Offered

Private Equity Funds

Our private equity business focuses on advising the Private Equity Funds in making opportunistic investments in the equity or debt of operating companies in the TMT sectors, primarily focused on technology, entertainment, sports, gaming, lifestyle, digital media and internet, with the primary differences between the Raine Growth Funds and the Raine Venture Funds being the size of the investments as described later in this paragraph and the fact that the Raine Growth Funds will typically invest in later-stage growth companies and the Raine Venture Funds will typically invest in seed, early and expansion stage companies, as well as opportunistic later-stage investments. Most operating companies in which the Private Equity Funds invest are privately held. As provided in its governing documents, each Raine PE Fund may invest a small portion of its assets in passive, open-market investments in publicly traded securities and in portfolio companies that are not in or related to our core sectors. We currently anticipate that the average size of an investment made by (i) the Raine Growth Funds will be between \$50 million and \$100 million and (ii) the Raine Venture Funds will be between \$250,000 and \$5 million for initial investments, with fully-scaled positions of up to 10% of total commitments to the applicable Raine Venture Fund. We also expect that each Raine PE Fund will have the ability to pursue larger transactions (often significantly larger), where appropriate, generally by offering co-investment opportunities through the Raine co-investment vehicles to investors in such Raine PE Fund and/or one or more third parties that are not investors in such Raine PE Fund. Raine offers co-investment opportunities and makes allocations to particular investors in its full discretion. Generally, subject to the terms of the governing documents of a Raine co-investment vehicle and its related Raine PE Fund, a Raine co-investment vehicle is contractually required, as a condition of its investment, to exit its investment in any particular investment opportunity at the same time and on the same terms as its related Raine PE Fund. Additionally, subject to the relevant terms of its governing documents, a Raine co-investment vehicle will typically make initial and, where applicable, follow-on investments in a single portfolio company (or a single group of related portfolio companies) and will typically not invest in additional portfolio companies unrelated to the portfolio company comprising the initial investment.

Hedge Funds

Our public markets business focuses on advising the Hedge Funds in seeking to invest opportunistically in the TMT sectors. We expect the Hedge Funds to invest primarily in long and short positions in publicly-traded equity securities (although the Hedge Funds may also invest in options and other derivatives as well as credit instruments) that we believe to be sufficiently liquid to meet the Hedge Funds' investment objectives. The Hedge Funds will pursue investments that include growth, value and event-driven ideas.

Raine expects the Hedge Funds to hold a concentrated portfolio of investments based on Raine's best ideas. Portfolio positions will be sized relative to Raine's level of conviction in such positions, including its belief as to the level of potential returns, any potential downside and the "margin of safety" that Raine believes exists in the then-current price of a security.

On the long side, Raine typically expects to focus on a one-to-two-year investment thesis, investing opportunistically when Raine believes that securities are attractively priced relative to the mid-to-long term prospects of the portfolio company. In evaluating potential long investments, Raine considers such factors as the strength of the company's management team, the overall market opportunity for the company, competitive forces, historical and expected revenue growth and margins, free cash flow conversion and capital uses and demands.

Short investments will represent an important part of the Hedge Funds' portfolio. Raine expects to make single name short investments that it believes can drive returns (in addition to acting as a natural hedge to long positions). Raine believes that, given their different risk profile (e.g., M&A risk), short positions must be both analyzed and managed differently than long positions. On the short side, Raine expects to typically focus on a 6-to-12 month investment thesis, avoiding short investments based solely on valuation criteria (i.e., if the stock looks overpriced) and instead focusing on companies that Raine believes are facing strong cyclical or secular headwinds and lack the ability to shift their business model to address these challenges.

General

We provide investment advice to our clients regarding the selection, monitoring and realization of each client's investments. The relationship between us and each client is governed by the governing documents of each client and the terms of investment advisory agreements between us and each client. Investments in the Private Equity Funds and the Hedge Funds are privately offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals.

The investment advice we provide to our clients is limited to the investment programs conducted by the Private Equity Funds and the Hedge Funds.

Item 4.C – Services Tailored to Individual Needs of Clients

Our advisory services are tailored to the investment strategies of the Private Equity Funds and the Hedge Funds. As investment advice is provided directly to the respective Raine investment vehicles and not individually to investors, we do not tailor our advisory services to the individual needs of investors. Investment restrictions are imposed in the governing agreements for the Raine investment vehicles, as specifically negotiated with investors. These terms may and, in certain cases, do restrict our advice concerning investments in certain securities or geographies, sectors, concentration limits or leverage, among others. Raine co-investment vehicles are typically established to invest alongside the Raine PE Funds in certain investment opportunities, in accordance with any applicable allocation restrictions in the relevant governing documents. In circumstances where an entire investment could be made by a Raine PE Fund, Raine may still allocate a portion of such investment to one or more co-investment vehicles in accordance with such fund's governing documents and Raine's internal policies and procedures if Raine believes in its good faith judgment that the full investment would result in suboptimal diversification of the applicable fund or that a particular co-investor would add value to the fund or the investment.

Raine and its affiliates have entered (and may in the future enter) into agreements, or "side letters," with investors whereby such investors may be subject to terms and conditions that vary from, and may be more favorable than, those applicable to other investors. Any such terms and conditions may (without limitation) relate to, (i) opt-outs relating to particular investments, (ii) reporting obligations, (iii) transfers to affiliates, (iv) participation in co-investment opportunities, (v) withdrawal rights, (vi) consent rights to certain governing document amendments, (vii) payment of management fees, carried interest and/or incentive allocation, or (viii) representation on a Raine investment fund's limited partner advisory committee (or equivalent thereof).

Raine and its affiliates have permitted (and may in the future permit) certain business associates and "friends and family" of the Manager, the Raine Group or the senior investment professionals to invest directly or indirectly in the Raine investment vehicles on terms that may be more favorable than those offered to other investors, including with respect to the payment of management fees, carried interest and/or incentive allocation. In some cases, private equity professionals or other services professionals from other investment firms are and may in the future become investors in the Raine investment vehicles.

Item 4.D – Wrap Fee Programs

Raine does not participate as manager or investment advisor in any wrap fee programs.

Item 4.E – Client Assets

Raine manages approximately \$3,386,300,000 (calculated based on “Regulatory Assets Under Management” as defined by the United States Securities and Exchange Commission (“SEC”)), all on a discretionary basis. This number is provided as of December 31, 2018 for all Raine investment vehicles.

ITEM 5 – FEES AND COMPENSATION

Item 5.A – Fees

General

Raine is generally compensated for advisory services through asset-based management fees. In addition, Raine or certain of its affiliates receive performance-based compensation.

The fees applicable to each Raine investment vehicle are set forth in detail in each Raine investment vehicle’s offering documents and governing agreements and are generally not negotiable by investors.

The calculation of fees payable by investors is complex and investors are advised to carefully review the terms set forth in the offering documents and governing agreements of the applicable Raine investment vehicle.

Raine may reduce or waive the management fees described below with respect to any investor in any Raine investment vehicle. In particular, Raine and its personnel as well as certain business associates and “friends and family” of the Manager, the Raine Group or the senior investment professionals are not required to pay management fees, carried interest and/or incentive allocation (as defined below).

Please see Item 6 for a description of performance-based compensation, carried interest or incentive allocation that may be payable by a Raine investment vehicle to the General Partner or Managing Member, as applicable.

Private Equity Funds

With respect to the Raine PE Funds, in general, management fees are payable quarterly in advance, are initially equal to 2.0% per annum of an investor’s capital commitment to the relevant Raine PE Fund and are typically reduced upon the occurrence of certain events set forth in the applicable partnership agreement. With respect to the Raine Growth Funds, the management fee is reduced to 1.5% per annum of invested capital upon the soonest to occur of the expiration of the commitment period, the date on which management fees for a subsequent investment fund with a substantially similar investment mandate begin to accrue, and the date such fund makes its first investment. In the case of the Raine Venture Funds, upon the expiration of the commitment period or, if earlier, upon the formation of (or the initial capital call from) a subsequent investment fund with a substantially similar investment mandate, the management fee is typically reduced to 2.0% per annum of invested capital until the 10th anniversary of the initial closing date and thereafter for the remainder of the term, to 1.5% per annum of invested capital. With respect to Raine co-investment vehicles, any fees to be received by Raine are negotiated on a vehicle-by-vehicle basis but may include asset-based fees and expense reimbursements or non-advisory administrative fees. Generally, any such management fees are payable quarterly in advance by a Raine co-investment vehicle and are equal to 2.0% per annum of an investor’s capital contribution to the applicable Raine co-investment vehicle,

except that an investor in the Raine PE Funds that participates in a Raine co-investment vehicle typically does not pay management fees on capital contributions made to the applicable Raine co-investment vehicle.

As permitted under the governing documents of the Private Equity Funds, Raine may elect to forego a portion of the management fee in favor of a right (a) to receive a priority interest in future distributions of the relevant Private Equity Fund profits equal to the waived amounts or (b) to cause the investors to contribute such waived amounts to such Private Equity Fund on Raine's behalf, which reduces the amount of capital Raine would otherwise be required to contribute to such Private Equity Fund.

Thematic Hedge Funds

With respect to the Thematic Hedge Funds, Raine will generally receive on a quarterly basis a management fee equal to 0.3125% (or an annualized rate of 1.25%) of the portion of the net asset value of the Thematic Hedge Fund that is allocable to investors on a pro rata basis.

TMT Hedge Funds

With respect to the TMT Hedge Fund, there are two classes of interests, Class A Interests and Class B Interests. In respect of both Class A and Class B Interests, Raine generally will receive on a quarterly basis a management fee equal to 0.375% (or an annualized rate of 1.5%) of the portion of the net asset value of the TMT Hedge Fund that is allocable to Class A and Class B Interests, as applicable.

Item 5.B – How Fees are Billed

Management fees are generally payable quarterly in advance. With respect to the Private Equity Funds, management fees are paid (i) by capital contributions from investors to the Raine PE Funds or any applicable Raine co-investment vehicle pursuant to capital call notices delivered by the applicable General Partner or Managing Member, (ii) out of cash otherwise distributable to the investors, including when a portfolio investment is sold and the proceeds are distributed to investors, or (iii) by drawing down on such Private Equity Fund's Credit Facility (as defined and further discussed below). With respect to the Hedge Funds, management fees generally are paid out of the assets of each Hedge Fund and are deducted as an expense from each investor's capital account (excluding any investors for which Raine has waived the payment of management fees). In the event that new capital contributions are received on a date other than the first business day of a calendar quarter, a pro rata portion of the quarterly management fee will be paid to Raine based on the number of months remaining in such partial calendar quarter (including the month such capital contribution is made).

With respect to performance compensation, "carried interest" for the Private Equity Funds is allocated periodically according to each Private Equity Fund's governing agreements (as discussed further in Item 6 below), and is paid out in the discretion of the applicable General Partner or Managing Member. These fees are typically paid out of cash otherwise distributable to investors, such as proceeds received by the applicable Private Equity Fund from the disposition of a portfolio investment.

For the Hedge Funds, as of the end of each fiscal year, a percentage of the net capital appreciation allocated to each investor's capital account for such fiscal year is reallocated to the capital account of the General Partner; provided, however, that the net capital appreciation upon which the calculation of the incentive allocation is based will be reduced to the extent of any unrecovered balance remaining in the Loss Recovery Account (as defined below) maintained for such investor. In other words, the General Partner will be entitled to receive an incentive allocation on a "high water mark" basis.

Item 5.C – Other Fees and Expenses

Private Equity Funds

With respect to the Private Equity Funds, Raine or its affiliates may receive customary break-up and topping fees, commitment fees, monitoring and directors' fees and transaction, financing, divestment and other similar fees from portfolio companies as compensation for financial advisory and similar services. A certain portion of these fees received by Raine or its affiliates may offset the management fees otherwise payable by investors. These potential fee arrangements are disclosed in the offering documents and/or governing agreements of each Raine PE Fund and any applicable Raine co-investment vehicle.

In addition to paying management fees and, if applicable, performance compensation, the Raine Private Equity Funds (and therefore investors) are also subject to other costs and expenses related to their respective activities (to the extent not reimbursed by a portfolio company) and, to the extent incurred by Raine or any of its affiliates, are required to reimburse Raine and its affiliates for such costs and expenses. Such costs and expenses may include (but are not limited to): (i) offering and organizational expenses up to a certain monetary threshold; (ii) expenses incurred in connection with the discovery, investigation, development, evaluation, acquisition, management, monitoring or disposition of investments (whether or not consummated (and for the case of investors of the Raine PE Funds, all such fees, costs and other expenses associated with potential investments that are not consummated, including amounts that may have been attributable to co-investors or Raine co-investment vehicles if such investments had been consummated)), including (1) placement, private placement, syndication and solicitation fees, arranger fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees and bank charges and (2) due diligence, research and investment-related travel expenses (including first class or business class travel in accordance with Raine's travel and expense policies for employees); (iii) expenses of administrators, custodians, brokers, outside counsel, economic advisors, tax advisors, valuation experts, sourcing persons and advisors, senior advisors, auditors, accountants and other professionals (including in relation to calling capital from and making distributions to clients or investors, the administration of assets, financial planning and treasury activities); (iv) expenses relating to compliance with tax or regulatory requirements applicable to the Private Equity Funds and/or relating to their operation, including relating to the preparation and distribution of financial statements, tax returns, Schedule K-1s and other fund and portfolio company reporting to investors (including printing costs and investor data management and portfolio company reporting services), software expenses (including information technology and valuation and accounting software and platforms) and expenses incurred in connection with regulatory filings (including preparation and filing of Form PF pursuant to the Advisers Act, filings with the CFTC, as applicable to each Private Equity Fund, and the Manager's compliance obligations arising from the European Union's Directive 2011/61/EU on Alternative Investment Fund Managers, as applicable to each Private Equity Fund); (v) any insurance, indemnification, audit, investigation, governmental inquiry, public relations inquiry or litigation expenses (including expenses of any judgment or settlement related thereto); (vi) any taxes, fees or other governmental charges payable in connection with the operation of or levied against each applicable Private Equity Fund; (vii) expenses relating to defaults by investors in the payment of any capital contributions; (viii) fees, costs and expenses relating to transfers of interests or permitted withdrawals of investors (excluding those expenses borne by the relevant Private Equity Fund); (ix) expenses or liabilities incurred in connection with the documentation and operation of the Private Equity Funds (including in connection with any amendments, restatements or other modifications to, and compliance with, the applicable partnership agreements, the management agreements, side letters or any other related documents of the Private Equity Funds and affiliated General Partners or Managing Members, and preparation of other materials in connection with compliance (or monitoring compliance) with such documents); (x) expenses incurred in connection with the formation of any special purpose vehicles, alternative investment vehicles (AIVs) or other vehicles; and (xi) expenses incurred in connection with any meetings of investors (including any limited partner advisory committee meetings and its related expenses of members and observers (including of accommodations, meals, events and entertainment and fees, costs and other expenses associated with any legal counsel or other advisors)) or the Raine Group's advisory board, with certain restrictions set forth in each fund's governing documents.

Investors should refer to the applicable governing documents for more information regarding a specific fund's expenses.

Allocation of Partnership Expenses

Private Equity Fund expenses pertaining directly to a single Private Equity Fund will be charged to that particular Private Equity Fund. If any Private Equity Fund expenses are associated with two or more Private Equity Funds, such expenses will be allocated amongst the relevant Private Equity Funds in good faith. In circumstances where expenses are associated with multiple Raine PE Funds, such expenses will typically be allocated on a pro-rata basis, based on the relative aggregate capital commitments or assets under management, as applicable, of such Raine PE Funds, but Raine may vary this approach in a particular instance if another method is more equitable. An example of shared costs requiring allocation includes Raine's annual investor meeting addressing the investors of multiple Raine investment vehicles. Raine allocates such shared costs across the applicable Raine investment vehicles in a manner it determines to be reasonable and fair to all parties.

Additionally, in circumstances where one or more co-investment vehicles invest alongside a Raine PE Fund into a specific investment, direct costs pertaining to such investment will typically be allocated amongst such Raine PE Fund and the applicable co-investment vehicles on a pro-rata basis, based on the relative share of invested capital in such investment of such Raine PE Fund and the applicable co-investment vehicles. Typically, where a proposed co-investment transaction is not consummated, no co-investment vehicle will have yet been formed. As such, absent a written agreement with a specific prospective co-investor to the contrary that obligates such person to bear a share of the relevant expenses relating to an unconsummated co-investment transaction, the full amount of the expenses relating to any such unconsummated co-investment transaction will typically be borne by the Raine PE Fund(s) selected by Raine for participation in such proposed transaction.

Senior Advisors

Raine has in the past hired, and may continue to hire, third-party consultants throughout the Private Equity Funds' investment processes, including senior advisors who are typically former senior executives with operating experience and industry-specific knowledge. Senior advisors are generally individuals with extensive experience in Raine's core sectors of focus; they play an important role in how Raine manages its portfolio and may assist with a variety of activities, including market research, new investment identification, pre-investment business diligence and post-investment value creation. Senior advisors are consultants who provide an important source of operating and strategic expertise across a wide spectrum of different fields within Raine's sectors of focus and, as such, are generally not treated as employees of Raine, although senior advisors may be considered employees for administrative or other purposes. Through Raine's relationships, Raine may make its senior advisors available to Private Equity Fund portfolio companies. As such, senior advisors are not Raine's affiliates for purposes of the governing documents of each Private Equity Fund and certain restrictions and conditions of the applicable governing documents that relate specifically to Raine's ordinary employees and affiliates do not apply to them. For example, senior advisors may make personal investments in portfolio companies alongside Private Equity Funds and Private Equity Funds may invest in portfolio companies in which senior advisors hold existing material investments.

Senior advisors are typically paid a consulting fee by Raine. Consulting fees vary depending upon a number of variables, including expertise and time commitment to Raine or a portfolio company. While Raine does not regard its senior advisors as full-time employees, some senior advisors may nonetheless qualify as employees of the Raine Group for administration or other purposes. From time to time, these individuals may also co-invest in transactions in which they are involved under the same terms and conditions as the applicable Private Equity Fund, but without paying a management fee or carried interest. As a senior advisor becomes more ingrained with a portfolio company, he or she may take on a more active

role, including, for example, taking a board seat and providing additional services directly to the portfolio company. In either case, the senior advisor may receive direct compensation from the portfolio company under terms agreed to by the portfolio company and the senior advisor. Any such compensation will not offset any management fees (or other fees) received by Raine, even if such amounts would reduce management fees if they were paid to Raine's ordinary employees or Raine's affiliates. In addition, senior advisors may make capital commitments and capital contributions to one or more Raine investment vehicles. Furthermore, senior advisors often have close business and personal relationships with Raine even though they are generally not current Raine employees and, as a result, Raine's relationships with senior advisors may create conflicts of interest.

Hedge Funds

With respect to the Hedge Funds, in addition to paying management fees and, if applicable, any performance compensation, each Hedge Fund bears the expenses of its operations such as investment expenses (e.g., brokerage commissions, short sales costs, clearing and settlement charges, custodial fees, hedging expenses, bank service fees, prime broker fees, interest expenses and expenses related to the formation and maintenance of any vehicles formed to effect or facilitate the acquisition of any investment); financing costs; due diligence, research and investment-related travel expenses (for both consummated and unconsummated investments); legal expenses; professional fees relating to investments; accounting expenses; auditing and tax preparation expenses; valuation expenses (including the cost of third-party valuation agents); administrative expenses; cost of software (including the fees of third-party software developers) used by Raine to track, monitor and account for investments; expenses related to monitoring the Hedge Funds' compliance with applicable law; insurance expenses; expenses (including travel expenses) incurred in connection with the formation, organization and initial marketing, offering and sale of interests in that Hedge Fund to investors up to a certain monetary threshold; any taxes and duties payable in any jurisdiction in connection with the operation of that Hedge Fund; fees and expenses of the administrators and other agents or service providers; extraordinary expenses (including litigation, indemnification and contribution expenses); and all other expenses and/or liabilities incurred in connection with the operation of that Hedge Fund (including in connection with the ongoing marketing, offering and sale of interests in that Hedge Fund, including travel expenses related thereto). All references to travel-related expenses herein may include first class or business class travel in accordance with Raine's travel and expense policy for employees. Please see Item 12 for additional disclosure regarding brokerage practices.

Investors should refer to the respective offering documents and/or governing agreements for the Private Equity Funds and the Hedge Funds for a complete description of fees and expenses. The information contained herein is qualified in its entirety by such documents.

Item 5.D – Refunds for Fees Charged in Advance

Management fees are payable quarterly in advance as described in Item 5.B. With respect to the Hedge Funds, subject to the governing documents of each Hedge Fund, Hedge Fund investors generally may withdraw their investments only on a quarterly basis. In the event a Hedge Fund investor is not invested for a full quarterly period, management fees are typically pro-rated based on the number of months in the quarter the investor was invested. With respect to the Private Equity Funds, an investor generally may not voluntarily withdraw during the life of the fund as the investments are intended to be long-term investments. A Private Equity Fund or Raine's services to a Private Equity Fund, however, may be terminated upon the occurrence of certain limited events as set forth in the Private Equity Fund's governing documents, and in the event such a termination occurs prior to the complete rendering of services for a quarterly period, Raine generally would prorate the management fee based on the period of time for which services were provided.

Item 5.E – Compensation for Sales of Securities

Raine does not accept compensation for the sale of securities or other investment products. Raine's supervised persons do not accept compensation for the sale of securities or other investment products related to their responsibilities to Raine.

Our affiliate, the Raine broker-dealer, receives compensation for the sale of securities or other investment products. As described in further detail in Item 10, certain of our supervised persons, in their capacity as supervised persons of the Raine broker-dealer, receive compensation attributable to the sale of securities or other investment products. For further discussion concerning this compensation of the Raine broker-dealer, see Item 10.

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

Private Equity Funds

Each of the Private Equity Funds will generally be assessed a carried interest or performance fee that is allocable to the General Partner or Managing Member, as applicable. The carried interest is allocated periodically according to each Private Equity Fund's governing agreements, typically after the receipt by the applicable Private Equity Fund of proceeds from the disposition of a portfolio investment, and is paid out of cash proceeds otherwise distributable to investors. Carried interest is typically measured as a percentage of the profits of a Private Equity Fund and is negotiated separately for each Private Equity Fund. Currently, except as noted below, investors in the Raine PE Funds are subject to a carried interest charge of 20%. Typically, investors in a Raine co-investment vehicle are subject to a carried interest charge of 10% if they are also investors in the Raine PE Funds and 20% if they are not investors in the Raine PE Funds. Because carried interest distributions may be made prior to the end of a Private Equity Fund's life, such distributions are subject to certain giveback obligations, as set forth in the applicable governing documents.

Raine or an affiliate has waived the carried interest charge in respect of one or more Raine PE Funds for itself and its professionals as well as certain business associates and "friends and family" of the Manager, the Raine Group or senior investment professionals. In addition, with respect to Raine co-investment vehicles, any fees to be received by Raine or its affiliates are negotiated on a vehicle-by-vehicle basis and may not include a carried interest charge.

Hedge Funds

With respect to the Hedge Funds, as of the end of each fiscal year, 20% (in the case of TMT Hedge Fund Class A Interests), 18% (in the case of Thematic Hedge Fund) and 15% (in the case of TMT Hedge Fund Class B Interests) of the net capital appreciation allocated to each investor for such fiscal year will be reallocated to the capital account of the General Partner (the "incentive allocation"); provided, however, that the net capital appreciation upon which the calculation of the incentive allocation is based will be reduced to the extent of any unrecovered balance remaining in the Loss Recovery Account (as defined below) maintained on the books of the fund for such investor. In other words, the General Partner will be entitled to receive an incentive allocation on a "high water mark" basis. The Hedge Funds will each maintain one or more memorandum loss recovery accounts (each, a "Loss Recovery Account") for each investor, the purpose of which is to track net capital depreciation, if any, attributable to the investor's interest in that Hedge Fund for each accounting period (generally a year). The General Partner will not be allocated any incentive allocation with respect to an investor until any net capital depreciation reflected in its Loss Recovery Account is recouped. In the event that an investor withdraws all or a portion of its interest in the Hedge Fund, the amount of net capital depreciation that is reflected in the investor's Loss Recovery Account is proportionately reduced. Additional capital contributions do not affect the amount of net capital depreciation that must be recouped before the General Partner is allocated an incentive allocation. Additional contributions by an investor will be treated as separate investments for the purpose of the

determination of the incentive allocation. The General Partner may reduce or waive the incentive allocation with respect to any investor.

General

The fact that Raine or an affiliate may be entitled to receive performance-based compensation may create an incentive for Raine to recommend investments that are riskier than those that would be recommended under a different fee arrangement, as Raine or its affiliate captures a set fraction of an investment's upside but does not suffer proportionately the downside of the investment. However, this incentive may be tempered somewhat by the fact that losses will reduce a Raine investment vehicle's performance and thus performance-based compensation, and that the Raine Group and, in certain cases, the principals have made investments in the Raine PE Funds and in the Hedge Funds and are subject to downside on these investments. Furthermore, Raine does not base its allocation decisions on the potential for it or its affiliates to earn performance-based fees.

ITEM 7 – TYPES OF CLIENTS

Raine generally provides investment advisory services, as described above in response to Item 4, to the Private Equity Funds and the Hedge Funds. Investment in Raine clients is generally only available to institutional investors and certain high net worth investors that are (i) "accredited investors" as defined under Regulation D promulgated under, or non-"U.S. persons" as defined under Regulation S promulgated under, the Securities Act of 1933, as amended, and (ii) "qualified purchasers" or "knowledgeable employees" of Raine as defined in the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

The Private Equity Funds and the Hedge Funds generally have a specified minimum investment amount as set forth in their offering documents, limited partnership agreements or other governing documents. Such minimums are subject to discretion, on the part of Raine or its affiliate, to permit investment of a smaller amount.

Raine employees and other persons associated with Raine and/or its affiliates, and the Raine Group out of its proprietary accounts, have made and may in the future make capital commitments and capital contributions to Raine clients.

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

Item 8.A – Methods of Analysis and Investment Strategies

Private Equity Funds

The Raine PE Funds will primarily make private equity and equity-related investments in companies focused on Raine's core sectors, with the primary differences between the Raine Growth Funds and the Raine Venture Funds being the size of the investments as described in the following paragraph and the fact that the Raine Growth Funds will typically invest in later-stage growth companies and the Raine Venture Funds will typically invest seed, early and expansion stage companies, as well as opportunistic later-stage investments. Each Raine PE Fund seeks investments across the capital structure in opportunities that are consistent with its risk-return investment strategy. In seeking to achieve its investment objective, we anticipate that each Raine PE Fund will invest primarily in some or all of the following types of investments:

- preferred equity, when we believe that the applicable Raine PE Fund can retain equity upside with principal protection through a liquidation preference and/or other protections;
- “hybrid” and other structured transactions that we believe have attractive risk-return profiles; and
- common equity, when we believe that we can achieve attractive returns while mitigating the risk of principal loss.

We currently anticipate that the average size of an investment by (i) the Raine Growth Funds will be between \$50 million and \$100 million and (ii) the Raine Venture Funds will be \$250,000 and \$5 million for initial investments with fully-scaled positions of up to 10% of total commitments to the applicable Raine Venture Fund. We also expect that each Raine PE Fund will have the ability to pursue larger transactions (often significantly larger), where appropriate, by offering co-investment opportunities through the Raine co-investment vehicles to investors in such Raine PE Fund and/or one or more third parties that are not investors in such Raine PE Fund.

Generally, we will seek to capitalize on the sector-specific experience of the principals, senior investment professionals and Raine’s strategic relationships to generate proprietary opportunities, rather than participate in competitive auctions, and to identify high-growth opportunities where Raine can create value without relying on financial leverage to drive returns.

We engage in a detailed due diligence process for each potential investment, including modeling short and long-term financial scenarios, company assessment, industry analysis, competitive benchmarking, evaluation of company management, risk assessment and transaction size, and pricing and structure analysis. The due diligence effort includes our investment professionals as well as operating management teams, legal, tax and accounting advisors and third-party consultants and advisors. In our analysis of potential investments, we primarily use information that a potential portfolio company provides to us as a result of our due diligence review. Additionally, we use information regarding investment opportunities sourced from the Raine broker-dealer and other affiliates and strategic relationships.

Hedge Funds Generally

The Hedge Funds will seek to generate returns by investing opportunistically in the TMT sectors. As stated above in Item 4, we expect the TMT Hedge Funds to pursue primarily a long-short public equity strategy, including growth, value and event-driven ideas.

We believe that the Hedge Funds offer attractive opportunities for investors to gain exposure to the large and dynamic public TMT markets, or sub-sectors thereof, through a differentiated investment approach. We will seek to capitalize on our TMT-focused platform to help develop and diligence differentiated investment themes that we believe will enable the Hedge Funds to achieve risk-adjusted returns through a balanced and fundamental investment approach.

We will actively manage the Hedge Funds’ investment portfolio, trading around core positions when we believe it is appropriate to take advantage of changes in the markets to enhance returns. We expect to capitalize on market conditions and company-specific events as they are announced, including earnings reports, press releases, industry or competitor news and changes in street perception and coverage. We will continue to re-evaluate positions and exit points as an investment thesis plays out or changes over time (e.g., if price targets have been achieved or if new information impacts the original thesis or investment decision). We believe that regular evaluation of the portfolio is important to thesis discipline and maintaining informed conviction without becoming stubborn.

We will take a collaborative approach to the portfolio, with the portfolio manager and other senior members of the Raine team meeting regularly to discuss investment themes and the positioning of the portfolio. We will conduct daily risk reviews of set portfolio parameters established by us (including gross and net exposure limits, single name limits and subsector exposure limits), with intra-day operational controls and enforcements of these limits. We believe that our existing platform provides both a competitive advantage to the Hedge Funds from an investment perspective (e.g., through differentiated idea generation and diligence) as well as a disciplined investing environment designed to mitigate risk.

Thematic Hedge Funds

With respect to the Thematic Hedge Funds, on the long side, we expect to own positions as long as we continue to believe that the thesis underlying such investment remains valid and that the return potential meets its expected level. We anticipate constructing the portfolio using one year out price targets for long positions and expect to consider various valuation methodologies, including, where relevant: trading multiple analysis (e.g., EBITDA, P/E multiple, etc.), free cash flow (“FCF”) yield, discounted cash flow analysis and funds from operations analysis. We may also consider the potential for mergers and acquisitions as part of the analysis, but do not expect that this will be a typical driver of our price targets.

In evaluating long opportunities, we generally intend to seek investments that have some combination of FCF yield and expected growth. We believe investments that generate FCF yield often have stronger valuation support than those without such yield. We also expect that a meaningful portion of Thematic Hedge Funds’ long investments will be in businesses that, in our evaluation, have a high degree of recurring revenue, longer term contracts and pricing escalators (e.g., “compounders”), which we believe tend to offer visibility to future cash flows.

On the short side, we will look to construct price targets for all short positions utilizing similar methodologies to the long portfolio. In creating the short portfolio, we will seek a combination of secular shorts which may be longer term in nature in tandem with event-oriented and shorter-in-duration shorts.

TMT Hedge Funds

With respect to the TMT Hedge Funds, we believe that successful results in a dynamic investing environment come from a balanced approach of investing in both long and short opportunities across various strategies, including:

- *Growth.* We will attempt to identify companies that exhibit signs of above-average or accelerating growth. In identifying growth investments, we are less focused on certain traditional valuation metrics. Instead, we focus on addressable market opportunities, competitive advantages and the management team track records (or lack thereof) of successful execution.
- *Value.* We will attempt to identify companies with securities that appear underpriced relative to the intrinsic value of the company based on fundamental analyses and the company’s ability to effect change. In identifying value investments, we may consider metrics such as the company’s earnings multiple and free cash flow yield.
- *Event Driven.* We will attempt to identify investments in companies that are undergoing corporate changes (such as spin-offs) or where there is hidden value (such as intellectual property or licenses), in each case where we believe there is a tangible catalyst not fully appreciated by the market.

We currently expect the TMT Hedge Funds to pursue investments in the TMT sectors, incorporating investments in companies involved in content creation and distribution, cloud computing, the internet, mobility, digital payments, leisure and out-of-home entertainment, expanding Asian markets, and special situations. We also currently expect the TMT Hedge Funds to pursue investments focused on special situations, such as monetization of key licenses and patents, unlocking hidden subsidiary value through extraordinary transactions, shifts in regulatory and tax regimes, and mergers and acquisitions. These strategies are based on our belief and observations about the market and the opportunities that exist therein, and these strategies may evolve or change over time as we continue to evaluate the market.

General

An investment in a Raine investment vehicle should generally be deemed speculative and is not intended as a complete investment program. Investing in the securities markets in general and in Raine clients in particular involves significant risk. Investments in Raine clients are appropriate only for experienced and sophisticated persons who meet certain eligibility criteria, are able to bear the risk of loss of some or all of an investment, and have a limited need for liquidity. Please see Item 8.B for additional risks associated with these investments.

Item 8.B – Material Risks of Significant Investment Strategies and Methods of Analysis

As a general matter, Raine utilizes the investment strategies and methods of analysis described in the offering and/or governing documents of the applicable Raine investment vehicle provided to investors prior to the time of an investment. The following is a summary of some of the material risks associated with the significant investment strategies and methods of analysis expected to account for a significant portion of the Raine investment vehicles' investments. While the descriptions of the investment strategies and methods of analysis described herein are generally relevant to the Raine co-investment vehicles, each co-investment vehicle typically invests in one portfolio company of a Raine PE Fund, and therefore lacks the potential benefit of diversification, and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss. This summary does not attempt to describe all of the risks associated with an investment in a Raine investment vehicle and there can be no assurance that other risks and conflicts of interest will not arise. Although no summary can fully describe all of the risks associated with such an investment, the offering and/or governing documents of each Raine investment vehicle contain a more complete description of the risks associated with an investment in such Raine investment vehicle.

The information contained herein is a summary only and it is critical that investors refer to the offering and/or governing documents of the applicable Raine investment vehicle for a complete overview of Raine's investment strategies and methods of analysis and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisers as to whether an investment in a Raine investment vehicle is appropriate for them.

Material Risks Associated with the Raine Investment Vehicles Generally

Nature of Investment. An investment in the Raine investment vehicles involves significant risks, is speculative and volatile, and requires a long-term commitment with no certainty of return. Since the Raine investment vehicles may only make a limited number of investments, and since many of the Raine investment vehicles' investments involve a high degree of risk, poor performance by one or a few of the investments could significantly reduce the total returns to investors. There can be no assurance that any investment will meet its investment objectives, or that an investor will receive a return of its capital. The performance of prior investments made by the Raine investment vehicles is not indicative of any expected future results.

Lack of Sector Diversification. The Private Equity Funds will pursue proprietary investment opportunities in the TMT sectors, primarily focused on the technology, entertainment, sports, gaming, lifestyle, digital media and internet sectors, and the Hedge Funds' investments will be concentrated in the TMT sectors or, for the Thematic Hedge Funds, in specific sub-sectors thereof. Concentration in limited business sectors will involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns based on market perception of the sector. Instability, fluctuation or an overall decline within Raine's core sectors will likely not be balanced by investments in other sectors not so affected. In the event that the sectors named above decline as a whole, returns to investors would be adversely affected.

While diversification within these sectors is an objective of the Raine investment vehicles, there is no assurance as to the degree of diversification that will actually be achieved in any of the Raine investment vehicles' investments. The Private Equity Funds are expected to participate in a limited number of investments and, as a consequence, the aggregate return of the Private Equity Funds may be substantially adversely affected by the unfavorable performance of even a single investment. If a Private Equity Fund co-invests with other third-party private equity funds, an investor may have exposure to a portfolio company through more than one investment fund. With respect to the TMT Hedge Funds, since the TMT Hedge Funds are not restricted as to the percentage of the TMT Hedge Funds' assets that may be invested in any particular market, sector, company or instrument, poor performance of any particular market, sector, company or instrument could have a significant adverse impact on the TMT Hedge Funds' returns as described above.

With respect to the Thematic Hedge Funds, investments will be concentrated in specific sub-sectors of the TMT sector. Concentration in a limited business sector will involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns based on market perception of the relevant sub-sector. Instability, fluctuation or an overall decline within a sub-sector or the TMT industry generally will likely not be balanced by investments in other industries not so affected. In the event that certain sub-sectors decline as a whole, returns to investors would be adversely affected. Given the Thematic Hedge Funds' expected concentration in relatively small sub-sectors, there is no assurance as to whether any degree of diversification will actually be achieved in the Thematic Hedge Funds' investments. Because the Thematic Hedge Funds are not restricted as to the percentage of their assets that may be invested in any particular market, area, company or instrument, poor performance of any particular market, area, company or instrument could have a significant adverse impact on their returns as described above. The Thematic Hedge Funds are expected to participate in a limited number of investments and, as a consequence, aggregate returns may be substantially adversely affected by the unfavorable performance of even a single investment. Furthermore, an investor may have exposure to a portfolio company through more than one fund, particularly if the Thematic Hedge Funds invest alongside other investment funds, including the TMT Hedge Funds.

Therefore, an investor should only invest in a Raine investment vehicle as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment.

Unspecified Investments. Raine has not identified all particular investments it will make. An investor must rely upon the ability of Raine to make investments consistent with each Raine investment vehicle's investment objectives and policies. A Raine investment vehicle may be unable to find a sufficient number of attractive opportunities to invest its committed capital or assets, or meet its investment objectives.

Investments in the FinTech Industry. Raine has made and may continue to make investments in financial technology ("FinTech") companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. Additionally, in the U.S. many FinTech activities are regulated on a state-by-state basis

with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as non-bank lending and debt collection) and supervision (in particular banking and insurance). While the Dodd Frank Wall Street Reform and Consumer Protection Act (the “Dodd Frank Act”) clarified certain pre-emption issues, there often is a tension between these state regulatory regimes and Federal regulation.

Raine’s portfolio companies in this industry will compete in this volatile environment. There is no assurance that products or services sold by these portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that these portfolio companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech-oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

Investments in the Digital Media & Internet Sectors. Raine has made and expects to continue to make investments in portfolio companies involved in the digital media & internet. The digital media & internet sectors are subject to risks of adverse government regulation. Programming services, cable television systems, the Internet, telecommunication services and satellite carriers are subject to varying degrees of regulation in the United States by the Federal Communications Commission (the “FCC”) and other entities and in foreign countries by similar entities. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the business of portfolio companies will not be adversely affected by future legislation, new regulation or deregulation, including the FCC’s December 14, 2017 decision to repeal the Protecting and Promoting the Open Internet rules, more commonly known as the “Net Neutrality” regulations. In addition, competitive pressures within the digital media & internet sectors are intense, and the securities of such portfolio companies may be subject to significant price volatility. Because the digital media & internet sectors are also subject to rapid and significant changes in technology, portfolio companies in these sectors may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies’ products and services obsolete.

Investments in Sports & Lifestyle Sectors. Raine has made and expects to continue to make investments in portfolio companies involved in the sports sector. In certain instances, such portfolio companies may be highly regulated both by domestic and foreign governmental agencies and by the governing bodies of various sports. Such regulations often involve restrictions on who can own a particular sports team or other sports property, including restrictions on ownership of multiple teams or other property by the same person or its affiliates. Any such regulations (as well as other applicable regulations) may impact the Raine investment vehicles’ ability to make an acquisition or disposition of an investment and how the investment is operated.

Raine has made and expects to continue to make investments in portfolio companies involved in the consumer and lifestyle industries. Like portfolio companies in the entertainment & gaming, sports, digital media & internet and telecommunications sectors, portfolio companies in the lifestyle sector are sensitive to a number of factors that influence the levels of consumer spending, including economic conditions such as recessionary environments, levels of employment, salaries and wage rates, levels of disposable consumer income, consumer debt, interest rates, income tax rates and policies and consumer confidence. Consumer spending is also affected by the domestic and international political situation. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities, could lead to a decrease in spending by consumers. In addition, the lifestyle sector is highly competitive with few barriers to entry and can change rapidly due to consumer preferences and industry trends.

Investments in the Telecommunications Industry. Raine has made and expects to continue to make investments in communications companies. Communications companies in the United States, Europe and other developed and emerging countries are undergoing significant changes mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense, and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, the companies in this industry that the Raine investment vehicles may invest in will face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

Further, Raine has made and expects to continue to make investments in infrastructure assets, including in particular communications infrastructure assets, which involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of the investment. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, political events, social stability, natural disasters, changes in weather, changes in demand for products or services, bankruptcy, or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure. In turn, this may impair a portfolio company's ability to repay its debt or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation, many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of an investment's losses. Furthermore, once assets of portfolio companies become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies

Investments in the Entertainment & Gaming Sectors. Raine has made and expects to continue to make investments in portfolio companies operating in the gaming sector. The entertainment & gaming sectors are highly competitive and these competitive pressures can adversely affect the financial performance of the portfolio companies that the Raine investment vehicles invest in. Entertainment & gaming represent discretionary expenditures and participation in such activities may decline when the economic outlook is uncertain and during economic downturns. The gaming sector is subject to extensive gaming regulations and political and regulatory uncertainty. Regulatory authorities have broad powers and may revoke, suspend, condition or limit gaming or other licenses, impose substantial fines and take other actions, any one of which could adversely impact the business, financial condition and results of operations of a Raine investment vehicle's portfolio companies.

Investments in the Technology Sector; Portfolio Company Reliance on Technology. Raine has made and expects to continue to make investments in portfolio companies involved in the technology sector or whose performance may be highly correlated with their ability to successfully implement new technology and/or exploit existing technologies. Concentration in those industries may involve risks greater than those generally associated with more diversified funds and may experience significant fluctuations in returns. The technology sector is challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services.

There is no assurance that products or services sold by portfolio companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. Instability, fluctuation or an overall decline within the technology industry may not be balanced by investments in other industries not so affected. In the event that the technology sector declines or that portfolio companies are unable to utilize technology successfully and competitively, returns to investors may decrease.

Dependence on Intellectual Property. Certain investments will depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.

Portfolio Company Reliance on Technology. A Raine investment vehicle may invest in portfolio companies whose performance may be highly correlated with their ability to successfully implement new technology and/or exploit existing technologies. The technology sector is challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services. There is no assurance that products or services sold by portfolio companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. In the event that the technology sector declines or that portfolio companies are unable to utilize technology successfully and competitively, returns to investors may decrease.

Business and Market Risks. The investments made by the Raine investment vehicles may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Market Conditions. The Raine investment vehicles will be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances. Difficult market conditions may adversely affect a Raine investment vehicle by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital, each of which could negatively impact the returns to investors. Market conditions surrounding the business of the Raine investment vehicles are subject to change. For example, a decrease in the availability of financing (or an increase in the interest cost), whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, may impair the Raine investment vehicles' ability to consummate certain transactions and may adversely affect the returns of the Raine investment vehicles and their investors.

Minority Investments. Raine investment vehicles typically invest in minority positions of portfolio companies. Raine investment vehicles may also invest in portfolio companies for which the Raine investment vehicle has no right to appoint a director or otherwise exert significant influence or protect its position. In all such cases, the Raine investment vehicle will significantly rely on the existing management and board of directors of such portfolio companies, which may include representation of other financial investors with whom the Raine investment vehicle is not affiliated and whose interests may conflict with the interests of the Raine investment vehicle.

Non-U.S. Investments. Raine investment vehicles have made and are expected to continue to make investments outside of the United States, including in certain emerging foreign markets. Investments in the

securities of foreign issuers may be restricted or controlled to varying degrees. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, potential price volatility in, and relative illiquidity of, some non-U.S. securities markets, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the U.S. or foreign governments, U.S., foreign or other withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations. Laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Certain countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular company or restrict investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. A Raine investment vehicle could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital or earnings, as well as by the application to the Raine investment vehicle of restrictions on investments. In addition, because a Raine investment vehicle's investments in other countries will likely be denominated in the currencies of such countries, a change in the value of these currencies against the U.S. dollar may result in a corresponding change in the U.S. dollar value of the Raine investment vehicle's assets denominated in those currencies.

Risk of Leverage. Certain Raine investment vehicles are permitted to borrow funds for various purposes, which may include (depending on the particular Raine investment vehicle) to pay management fees and other expenses, to make new or follow-on investments, to cover a shortfall in capital contributions resulting from a limited partner's default or exclusion, to fund the payment of any withholding or other tax, to facilitate a timely distribution from an investment that has been subject to a disposition or to make payments under guarantee, surety or hedging transactions. Such vehicles have from time to time borrowed funds for at least some of these purposes (including, most frequently, the first two purposes). The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. Since the Raine investment vehicles generally will pay the principal of, and interest on, their borrowings prior to making any distributions to the investors, an increase or decrease in capital or income of the Raine investment vehicles will have an increased effect on the returns to the investors. Because any decline in the value of a Raine investment vehicle's investments would be borne entirely by investors, the effect of leverage in a declining market would result in a greater decrease in capital than if such Raine investment vehicle were not leveraged.

Raine has caused certain of its existing investment vehicles, and expects to cause some or all of its investment vehicles to be formed in the future, to enter into one or more credit facilities (commonly referred to as "subscription lines") as credit parties (collectively referred to herein as a "Credit Facility"). Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a Credit Facility will likely be secured by pledges of Raine's right to call capital from investors and, in limited circumstances, may also be secured by other assets of a Raine investment vehicle. Additionally, a lender may foreclose on the pledged collateral, including the investors' commitments and, only if applicable, the Raine investment vehicle's investments, if the Raine investment vehicle fails to repay the amounts borrowed under a Credit Facility or experiences another event of default. Moreover, any investor claim against the Raine investment vehicle would likely be subordinate to the Raine investment vehicle's obligations to the Credit Facility's creditors.

In addition, fund-level borrowing will result in incremental partnership expenses that will be borne by the investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of the Credit Facility, an upfront fee for establishing a Credit Facility and other one-time and recurring fees and/or expenses. Because a Credit Facility's interest rate is based in part on the creditworthiness of all the underlying investors and the terms of the applicable governing agreement, it may be higher than the interest rate an investor could obtain individually. To the extent a particular investor's cost of capital is lower than the Raine investment vehicle's cost of borrowing, fund-level borrowing can negatively impact an investor's overall individual financial returns, even if it increases the Raine investment vehicle's reported net returns, as described below.

A credit agreement may contain other terms that restrict the activities of a Raine investment vehicle and the investors or impose additional obligations on them. For example, a Credit Facility may impose restrictions on Raine's ability to consent to the transfer of an investor's interest in a Raine investment vehicle. In addition, in order to secure the Credit Facility, Raine may request certain financial information and other documentation from investors to share with lenders. Raine will have significant discretion in negotiating the terms of any Credit Facility and may agree to terms that are not the most favorable to one or all investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a Credit Facility allows Raine to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under the Credit Facility could cause liquidity concerns for investors that would not arise had Raine called smaller amounts of capital incrementally over time as needed by a Raine investment vehicle. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. Raine may also utilize fund-level borrowing when it expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital at a portfolio company. If Raine is ultimately unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses in a declining market.

Raine has incentives to engage in fund-level borrowing notwithstanding the expenses and risks that accompany it. For example, Raine intends to present certain performance metrics, such as net IRR and net multiple, in Raine investment vehicles' periodic reports and marketing materials for future Raine funds. Certain of Raine's performance metrics, including its current presentation of net IRR and net multiple, measure investors' actual cash outlays to, and returns from, a Raine investment vehicle and thus depend on the amount and timing of investor capital contributions to the Raine investment vehicle and Raine investment vehicle distributions to investors. To the extent a Raine investment vehicle uses borrowed funds in advance or in lieu of calling capital, investors make correspondingly later or smaller capital contributions. Also, borrowing to facilitate distributions of proceeds from an investment enables investors to receive distributions earlier. As a result, the use of borrowed funds generally results in the presentation of higher performance metrics than simply calling capital, even after accounting for the attendant interest expense.

Fund-level borrowing can also affect the preferred return the investors receive and the carried interest Raine receives, as preferred return and carried interest generally depend on the amount and timing of capital contributions and distributions of proceeds. In particular, the preferred return begins to accrue after capital contributions are due (regardless of when a Raine investment vehicle borrows, makes the relevant investment or pays expenses) and ceases to accrue upon return of these capital contributions. Using borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. Because Raine does not pay preferred return on funds borrowed in advance or in lieu of calling capital, fund-level borrowing will therefore reduce the amount of preferred return to which the

investors would otherwise be entitled had Raine called capital, and thus could allow the Raine to receive carried interest sooner than it would without borrowing.

Fund level borrowing may also involve risks for certain tax exempt investors. To the extent a Raine investment vehicle borrows or is deemed to borrow for U.S. federal income tax purposes, it may hold debt financed property that may produce “unrelated debt financed income” (so-called “UDFI”) that is treated as “unrelated business taxable income” (so-called “UBTI”), as defined in Section 512 of the Code for a tax exempt investor.

In respect of the Hedge Funds, leverage generally takes the form of trading on margin, and may also take the form of investing in derivative instruments that are inherently leveraged and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings that the Hedge Funds may have outstanding at any time could be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Hedge Funds can borrow in particular, will affect the Hedge Funds. In general, the Hedge Funds’ use of short-term margin borrowings or equivalent financing results in certain additional risks to the Hedge Funds. Depending on the type of instrument, a relatively small movement in the price of an investment may result in a profit or a loss that is high in proportion to the amount of funds actually placed by the fund as margin and may result in unquantifiable further loss exceeding any margin deposited. For example, should the securities pledged to brokers to secure the Hedge Funds’ margin accounts decline in value, the Hedge Funds could be subject to a “margin call,” pursuant to which the applicable Hedge Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Hedge Funds’ assets, the Hedge Funds might not be able to liquidate assets quickly enough to pay off its margin debt.

The Hedge Funds’ ability to obtain leverage may be adversely affected if the capacity of its brokers, lenders or counterparties is impaired by unfavorable economic conditions or changes to the laws and regulations governing their operations. An inability of the Hedge Funds to obtain a desired amount of leverage may limit the Hedge Funds’ overall investment exposure, thereby reducing the Hedge Funds’ performance. Margin posted by the Hedge Funds will be subject to transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may not be recovered by the return on the Hedge Funds’ portfolios. The use of leverage will decrease the investment return if the Hedge Funds fail to recover the cost of such leverage.

Risk of Portfolio Company Leverage. A Raine investment vehicle’s investments may be (and in certain cases have been) in portfolio companies whose capital structures have significant leverage. Although Raine will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio companies or their industries. New legislation known as “An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018” (the “Tax Reform Bill”) was enacted on December 22, 2017. The Tax Reform Bill included, among other things, changes to the tax rules that govern the deductibility of interest expense. These changes and others in the Tax Reform Bill could have an adverse impact on portfolio companies that have significant leverage in their capital structures. The incurrence of significant indebtedness also tends to subject such portfolio companies to restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow and limit such portfolio companies’ ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

Raine investment vehicles may enter (and in certain cases have entered) into guarantees or other forms of surety with respect to the indebtedness of third parties, including portfolio companies. In these circumstances, the creditor typically would have recourse to the Raine investment vehicle to satisfy the

obligations of the third party. These arrangements pose many of the same risks and conflicts associated with fund-level borrowings. The relevant governing agreement may not cap the Raine investment vehicle's ability to enter into such guarantee or surety arrangements.

In addition, Raine investment vehicles may enter (and in certain cases have entered) into contractual arrangements, including deferred purchase price payments, staged funding obligations, earn outs, milestone payments and equity commitment letters and other forms of credit support, that obligate it to fund amounts to special purpose vehicles, portfolio companies or other third parties. Such arrangements may not constitute borrowings or guarantees under the relevant governing agreement and may not be subject to the related caps, even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the caps intend to address

Cross Default. A Raine investment vehicle and related vehicles may engage in fund or asset level financing whereby (i) the Raine investment vehicle and/or such vehicles are jointly responsible on a cross collateralized basis for the repayment of the financing and/or (ii) the commitments of investors in the Raine investment vehicle and/or such vehicles are pledged to secure the financing obtained for the benefit of the other such vehicles. When Raine calls capital to satisfy the indebtedness, an investor may contribute in excess of its pro rata share of the indebtedness if other investors in the relevant Raine investment vehicle or the investors in the related vehicles fail to honor their commitments. While Raine intends for Raine investment vehicles, where appropriate, to enter into back to back agreements with related vehicles in respect of certain types of credit support, a Raine investment vehicle would still be subject to the risk of default by such other vehicles.

Hedging Policies and Risks; Synthetic Investments. In respect of the Private Equity Funds, in connection with the financing of certain investments, a Private Equity Fund may employ hedging techniques designed to reduce the risks of such investments. Also, the Hedge Funds may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, forward contracts and futures contracts, both for investment purposes and for risk management purposes including, without limitation, to protect against adverse movements in interest rates, securities prices and currency exchange rates. The success of a Raine investment vehicle's hedging strategy will depend, in part, upon Raine's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments being hedged. Since the characteristics of many investments change as markets change or time passes, the success of a Raine investment vehicle's hedging strategy will also be subject to Raine's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner.

While a Raine investment vehicle may enter into such transactions to seek to reduce risk, the Raine investment vehicle is not required to employ such hedging techniques in connection with its investments, and may be unable to anticipate all risks against which such hedges could be employed. In addition, such transactions have inherent risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Raine investment vehicle relating thereto. Although such transactions may reduce the Raine investment vehicle's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns that the Raine investment vehicle would have otherwise achieved if these transactions were not entered into by the Raine investment vehicle. For a variety of reasons, Raine may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Raine investment vehicle from achieving the intended hedge or expose the Raine investment vehicle to risk loss. In addition, although such hedging transactions may hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the gain or loss on the investment or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment.

With respect to any investments in synthetic instruments, a Raine investment vehicle will have a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. The Raine investment vehicle may not have any voting, information, or other rights of ownership with respect to the underlying asset. In addition, the Raine investment vehicle will be subject to the credit risk of the synthetic instrument counterparty, and, in the event of the insolvency of such counterparty, the Raine investment vehicle generally will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the underlying asset. Changes to the regulations applicable to the financial instruments that a Raine investment vehicle may use to accomplish its hedging strategy could affect the effectiveness of that strategy. For additional information on these regulatory changes, please refer to the offering documents and/or governing documents of the relevant Raine investment vehicle.

Reliance on the Management of Portfolio Companies. Although Raine will attempt to invest in portfolio companies with strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which the Raine investment vehicles have an investment may undermine Raine's due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Raine investment vehicles' investments and may contribute to overall market volatility that can negatively impact the Raine investment vehicles' investment portfolio. In addition, content and creative-focused businesses can involve significant key person risk, which Raine seeks to manage with its portfolio companies.

Advisors and Service Providers. A Raine investment vehicle and its portfolio companies may retain certain advisors and service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, sourcing persons and investment or commercial banking firms) who may also provide services to or have other relationships with the Raine Group and its affiliates. These services may relate to sourcing, conducting due diligence on or developing potential investments, as well as structuring, managing, monitoring and disposing of investments. In many cases, these are the types of services that Raine employees could also provide or have in the past provided. Determining whether to engage a third party or a Raine employee gives rise to conflicts of interest because Raine generally bears the compensation costs of Raine employees who render these services, while amounts paid to third parties are typically a partnership expense ultimately borne by all partners. Raine therefore has an incentive to retain third parties rather than hire additional Raine employees and to outsource to third-party service providers functions that Raine employees could perform or have previously performed.

In addition, while Raine will generally seek to engage advisors and service providers on behalf of a Raine investment vehicle and its portfolio companies on the basis of the quality of advice and other services provided, these relationships with its advisors and service providers may influence Raine in deciding whether to select or recommend an advisor or service provider to perform services for a Raine investment vehicle and its portfolio companies (the cost of which will generally be borne directly or indirectly by a Raine investment vehicle and its portfolio companies, as applicable). In certain circumstances, advisors and other service providers may charge rates or establish other terms for advice and services provided to the Raine Group, affiliated funds or any of their affiliates or portfolio companies that are different and more favorable than those established in respect of advice and services provided to a Raine investment vehicle and its portfolio companies. Moreover, whereas Raine typically negotiates on a matter-specific basis the rates or amounts payable for such services, a Raine investment vehicle or its portfolio companies may sometimes pay higher rates or amounts than the Raine Group would for such services. In some cases, advisors and service providers may provide certain discounts that are based on volume and so certain Raine investment vehicles or portfolio companies may receive a greater discount than others depending on the timing of their transactions (e.g., if a transaction occurs early in a year it may not receive the same discount as a transaction that occurs later in the year).

Reliance on Raine Management. The success of a Raine investment vehicle will depend in large part upon the skill and expertise of the Raine Group's key investment professionals. There can be no assurance that any individual professional will continue to be associated with a Raine investment vehicle. Should any of these professionals join or form a competing firm, become incapacitated or in some other way cease to participate in investment activities of a Raine investment vehicle, its performance could be adversely affected.

The Raine Group's ability to recruit, retain and motivate such professionals is dependent on its ability to offer attractive incentive opportunities. Recently-enacted legislation has increased the holding period required in order for professionals to treat carried interest as capital gain, which may increase the amount of taxes such professionals would be required to pay with respect to their carried interest. If additional legislation were to be enacted to more broadly treat carried interest as ordinary income rather than as capital gain, the amount of taxes that such professionals would be required to pay with respect to their carried interest would materially increase, thereby adversely affecting the ability of a Raine investment vehicle to offer attractive incentive opportunities.

Alignment of Interest. A number of persons hold direct or indirect equity and other economic interests in the Raine Group, including in Raine's ultimate holding companies and certain other subsidiaries or vehicles that the Raine Group controls. While these persons mostly are current Raine employees or other individuals who are or have been involved in the activities and affairs of the Raine Group, some are third party investors, including current or potential investors in Raine investment vehicles, who are not involved in the Raine Group's day to day operations. Similarly, Raine may permit third party investors to hold direct or indirect passive economic interests in other Raine controlled vehicles, including entities Raine forms to exercise its rights or discharge its obligations under the governing agreements of Raine investment vehicles. Such Raine controlled vehicles may be used to fund Raine's capital commitments to Raine investment vehicles, including the required minimum commitment, as well as any additional commitments permitted following the end of the fundraising period. These practices may have the effect of reducing the amount of capital contributed by persons responsible for operating Raine investment vehicles and lessening the alignment of interests between such persons and the investors.

Material, Non-Public Information. By reason of their responsibilities in connection with their other activities, the Raine Group, its affiliates and certain of the senior investment professionals from time to time acquire confidential or material non-public information or may be otherwise restricted from initiating transactions in certain securities. The Raine investment vehicles will not be free to act upon any such information. Due to these restrictions, the Raine investment vehicles may not be able to initiate a transaction that they otherwise might have initiated and may not be able to buy or sell an investment that they otherwise might have bought or sold.

Extensive Government Regulation. The extensive government regulation of certain industries in which the Raine investment vehicles may invest creates additional uncertainty and risks for the Raine investment vehicles. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, and the failure to obtain approval could have a material, adverse effect on the success of the portfolio companies.

Increased Regulatory Oversight. The growth of the alternative investments industry and the increasing size and reach of transactions have prompted additional governmental and public attention, as well as pressure for greater governmental scrutiny and regulation of the alternative investments industry and its practices. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny or regulation, if any, on the alternative investments industry may ultimately take. In addition, the financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Any such scrutiny or initiatives may have an adverse impact on the alternative investment industry generally or on Raine investment vehicles.

specifically. Such scrutiny may increase Raine's and the Raine investment vehicles' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on Raine, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Raine's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, Raine's officers will have contact with governmental authorities and/or be subjected to responding to questionnaires or examinations. The Raine investment vehicles may also be subject to regulatory inquiries concerning their positions and trading. Any such regulation, including changes to the tax code, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting portfolio investments, operating and effecting restructurings of portfolio companies and operating the Raine investment vehicles. Regulation could also increase the risk of third-party litigation. The transactional nature of the Raine investment vehicles' business exposes the Raine investment vehicles, Raine and its affiliates generally to the risks of third-party litigation. Under their respective governing agreements, the Raine investment vehicles will generally be responsible for indemnifying Raine and its affiliates for costs they may incur with respect to such litigation.

The implementation of the Dodd Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Pursuant to the Dodd Frank Act, the SEC has adopted rules that require additional reporting by registered investment advisers to private funds, which add costs to the legal, operations and compliance obligations of Raine and increase the amount of time that the Raine spends on activities other than investments.

The Dodd Frank Act affects a broad range of financial market intermediaries and other market participants with whom Raine investment vehicles interact or may interact. Regulatory changes that will affect other market participants are likely to change the way in which Raine investment vehicles conduct business with counterparties. Parts of the Dodd Frank Act, such as the "Volcker Rule," may affect the number and type of participants in the markets in which Raine investment vehicles may trade. It is difficult to anticipate the impact of these and other regulatory changes on Raine and the Raine investment vehicles. It may take years to understand the impact of the Dodd Frank Act on the financial industry as a whole, and, therefore, the continued uncertainty may make markets more volatile, and it may be more difficult for Raine to execute the investment strategy of its investment vehicles.

Alternative Investment Fund Managers Directive. The European Union Alternative Investment Fund Managers Directive ("AIFMD") regulates the activities of certain alternative investment fund managers ("AIFM") undertaking fund management activities or marketing alternative investment funds ("AIFs") to investors within the European Economic Area ("EEA"). While the AIFMD was required to be implemented in all EEA member states by July 22, 2013, according to a broadly harmonized regime, the effectiveness and consistency of implementation varies between member states. In particular, there is considerable divergence across EEA jurisdictions on the local approach to marketing of AIFs by non-EEA AIFM. In member states where such marketing is viable, however, certain minimum compliance requirements will apply. If a private fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) such fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in such fund incurring additional costs and expenses, (ii) such fund and/or its adviser(s) may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in such fund incurring additional costs and expenses or otherwise affect the management and operation of the fund, (iii) the adviser(s) may be required to make detailed information relating to such fund and its investments available to regulators and third parties, and (iv) the AIFMD may also restrict certain activities of such fund in relation to EEA portfolio companies including, in some circumstances, such fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. Some EEA jurisdictions have also chosen to impose additional, more onerous requirements in connection with the marketing of non-EEA funds to investors based in those jurisdictions. It is also possible that further restrictions could be imposed in the future on non-EEA AIFs or AIFM at European Union or national

member state level, which may make it more difficult for a non-EEA fund to raise its targeted amount of capital and/or commitments. At present, EEA AIFM marketing or managing AIFs in the EEA must be authorized to do so pursuant to the AIFMD. Once authorized, however, EEA AIFM are broadly permitted to market funds freely throughout the EEA, by way of a marketing “passport”. By contrast, however, non-EEA AIFM are currently prohibited from authorization, pending determination by the European Commission of whether and on what basis to extend the AIFMD authorization and passporting regime to entities based in non-EEA jurisdictions, including the United States. If and when EEA authorization becomes an option for non-EEA AIFMs, such authorization is likely to impose additional regulatory constraints and disclosure obligations on non-EEA AIFM and their funds and may restrict the ability of non-EEA AIFM without such authorization to continue to market their funds to EEA investors under current national private placement rules.

Changes in the Political Environment of the United Kingdom and Europe. In a referendum held on June 23, 2016, voters in the United Kingdom voted to leave the European Union (such departure, “Brexit”). While the terms of the United Kingdom’s exit from, and its future relationship with, the European Union will be negotiated over a period of years, the Brexit vote has led to instability in global financial markets. As of this writing, the potential impact of Brexit on the value of investments—including investments of the type contemplated by the Raine investment vehicles—in the United Kingdom, the European Union and elsewhere, cannot be determined with certainty. It is possible that the value of some or all of such investments may be materially adversely affected. In addition, the turmoil in the global financial markets caused by the Brexit vote could lead to a reduction in the number of attractive investment opportunities suitable for the Raine investment vehicles, in which case Raine may not be able to source, identify and invest in a sufficient number of opportunities to permit the Raine investment vehicles to invest all of their respective committed capital or sufficiently diversify their portfolios. As a result, the potential return on an investment in a Raine investment vehicle could be materially adversely affected. On March 19, 2018, the United Kingdom reached provisional agreement with the European Union on transitional arrangements following the United Kingdom’s exit, which are intended to enable the United Kingdom to remain within the European Union’s single market and customs union until December 31, 2020. This agreement does not, however, guarantee the intended transitional arrangements, which will need to be formally agreed as part of the withdrawal agreement currently under negotiation. It therefore remains possible that the transitional period may not be implemented, or may be implemented in a form in which the detail of the arrangements results in adverse effects on United Kingdom and/or European Union financial markets.

Material Risks of Significant Methods of Analysis. Raine seeks to conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and to identify possible risks associated with that investment. When conducting due diligence and making an assessment regarding an investment, Raine relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, Raine cannot be certain that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. Also, Raine cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections used when evaluating that investment.

Raine will generally establish the capital structure of an investment and the terms and base case projections of such investment on the basis of financial, macroeconomic, and other applicable projections. Projected operating results will normally be based primarily on investment professional judgments or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon

assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General economic, natural, and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections. Valuation models used to determine whether a position presents an attractive opportunity may become outdated and inaccurate as market conditions change. Assumptions or projections about asset lives; the stability, growth, or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

Cybersecurity Breaches and Identity Theft. The Raine investment vehicles and their respective portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the Raine investment vehicles' investors and/or investment activities, or to render data or systems unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to Raine's, the Raine investment vehicles' and/or the portfolio companies' operations and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of investors' personal information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Raine's or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems may arise in both Raine's or a portfolio company's internally developed systems and the systems of third-party service providers.

Interest Rate Risks. Raine investment vehicles will have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of a Raine investment vehicle. Over any defined period of time, a Raine investment vehicle's interest-bearing assets may be more sensitive to changes in market interest rates than such Raine investment vehicle's interest earning liabilities, or vice versa. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board, international disorders and instability in domestic and foreign financial markets. If a Raine investment vehicle is unable to manage interest rate risk effectively, such Raine investment vehicle's performance could be adversely affected.

U.S. Federal Income Tax Reform. The Tax Reform Bill could have a significant impact on the taxation of an investment in the Raine investment vehicles and on the Raine investment vehicles' investments in portfolio companies. Changes include, among other things, (i) limitations on the deductibility of net interest expense, (ii) changes in the corporate tax rate, (iii) an expansion of the definition of controlled foreign corporation and a deemed repatriation of deferred earnings of a 10% owned foreign corporation, each of which may result in phantom income for investors in the Raine investment vehicles that are U.S. taxable persons, (iv) changes to the taxation of income derived outside the United States and (v) immediate expensing of expenditures for certain tangible property, all of which could affect the tax liability of portfolio companies and/or the Raine investment vehicles (including entities organized by the Raine investment vehicles to make investments in portfolio companies), as well as any returns attributable thereto. In addition, anticipated changes that could affect a particular investor's investment in the Raine investment vehicles include (i) limitations on the deductibility of state and local income taxes, (ii) the suspension of the deduction for miscellaneous itemized deductions, (iii) a reduced tax rate for certain partnership income, not including capital gains, qualified dividends or most interest income and (iv) changes in the tax treatment of a disposition of an interest in the entities treated as partnerships for U.S. federal income tax purposes so that gain or loss from such disposition by a non U.S. person that is an investor therein is treated as effectively connected income to the extent a sale of the underlying partnership

assets would have resulted in income effectively connected with a U.S. trade or business, and a potential withholding tax on any disposition of such a partnership interest.

ERISA. A Raine investment vehicle may hold “plan assets” subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). With respect to those plan assets, if any, Raine and certain related entities would be classified as “fiduciaries” under ERISA. ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. As a result, a Raine investment vehicle may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Raine investment vehicle, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Raine investment vehicle.

Material Risks Associated with the Private Equity Funds

In addition to the material risks generally associated with the investment program of the Raine investment vehicles, the following material risks are some of the additional material risks associated with the investment program of the Private Equity Funds.

Improvements in Portfolio Companies. In many cases, the success of Raine’s investment strategy will depend, in part, on Raine’s ability to restructure and effect improvements in the operations of the portfolio companies held by the Private Equity Funds. Identifying and implementing potential operating improvements involves a high degree of uncertainty, and there can be no assurance that Raine will be able to successfully identify and implement these improvements.

Competition for Investments. A Private Equity Fund may encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over the Private Equity Funds in bidding for investments, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Private Equity Funds as well as an ability to achieve synergistic cost savings in respect of an investment. In addition, a substantial number of private equity and venture capital funds have been formed over the past several years, and many funds are substantial in size, resulting in an abundance of capital available for private equity and venture capital investment.

Illiquidity; Market for Investments. There will be no public market for certain of the Private Equity Funds’ investments in privately held entities, and a Private Equity Fund’s ability to dispose of any investment will in many cases be further limited by the agreements in connection with such investments. The ability of a Private Equity Fund to sell or distribute securities and to realize investment gains will depend, in large part, upon favorable market conditions, including receptiveness to initial public offerings for the portfolio companies in which the Private Equity Fund invests and an active mergers and acquisitions market. Initial public offering, merger and acquisition or other divestment opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative and not exhaustive, a Private Equity Fund will generally not be able to realize on an investment in a privately held entity until the sale of such entity. There can be no assurance that a Private Equity Fund will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges.

General Cash Flow Risks. The principal investment objective of the Private Equity Funds will be to make investments in entities with prospects for capital appreciation. It is anticipated that a significant portion of the entities in which a Private Equity Fund will invest will likely not provide the Private Equity Fund with any significant cash distributions until the underlying property is sold or refinanced.

Accordingly, a Private Equity Fund will likely not be able to make any significant cash distributions to investors other than in connection with the liquidation of its investments.

Investments in Early-Stage and New Companies. Certain Private Equity Funds, and in particular the Raine Venture Funds, have invested and are expected to continue to invest all or a portion of their assets in the securities of early stage companies or entirely new companies. Investments in such early stage or newly formed companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Many of these portfolio companies will need substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies also may have shorter operating histories on which to judge future performance, have untested management, and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues and any such investment should be considered highly speculative and may result in the loss of the applicable Private Equity Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the applicable Private Equity Fund's other investments. There may be no readily available market for the applicable Private Equity Fund's investments, many of which may be difficult to value. Such portfolio companies may also face intense competition, including from companies with greater financial resources, more extensive marketing and service capabilities and a larger number of qualified personnel.

Moreover, the portfolio companies described above may have significantly fewer products, services or clients than more established companies, and competition with such portfolio companies may develop from other new and existing companies, products and services. If a portfolio company is dependent on a limited number of products or services or the business of a limited number of clients, a significant risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. There is no assurance that the development efforts of any portfolio company will be successful, or, if successful, will be completed within the budget or time period originally estimated. The consequences of failure of such products or services or the loss of such clients could be devastating to the prospects of such portfolio company, which in turn could negatively affect the performance of the applicable Private Equity Fund.

Co-Investment and Third-Party Involvement. The Private Equity Funds have co-invested and may in the future co-invest with certain investors and/or third parties through joint ventures or other entities, including Raine co-investment vehicles. Raine generally has discretion to determine to whom co-investment opportunities are offered. Raine's exercise of discretion in allocating co-investment opportunities may be more advantageous to some such investors relative to other such investors. Co-investors' and third parties' interests are not always aligned with a Raine PE Fund's interests and, if third party investors co-invest directly into a portfolio company, Raine's ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by Raine. Such investments may also involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Private Equity Fund or may be in a position to take (or block) action in a manner contrary to the Private Equity Fund's investment objectives. In addition, a Private Equity Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. In addition, investors that participate in co-investments may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the relevant Raine PE Fund. Raine co-investment vehicles formed for the purpose of pursuing a particular transaction lack the potential benefit of diversification and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss.

Bridge Financings. From time to time, the Private Equity Funds lend to portfolio companies on a short- or long-term, unsecured basis, and frequently in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans are typically convertible into a more permanent, long-term security. However, for reasons not always in the Private Equity Fund's control, such long term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Private Equity Fund.

Highly Structured Investments. A Private Equity Fund may invest all or a portion of its assets in highly structured investments, including mezzanine debt securities and distressed debt securities and the securities of portfolio companies that are experiencing financial difficulties. Such securities may have high credit and liquidity risk, have ratings below investment grade and be more sensitive to adverse economic and business developments than other securities. Distressed portfolio companies may require substantial additional capital to improve their financial condition, have higher amounts of leverage and may become involved in insolvency proceedings, which could increase volatility and could adversely affect the performance of the applicable Private Equity Fund.

Investments in Restructurings. A Private Equity Fund may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions. Such investments could, in certain circumstances, subject the Private Equity Fund to certain additional potential liabilities that may exceed the value of the Private Equity Fund's original investments therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Private Equity Fund and distributions by a Private Equity Fund to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Investments in Operating Turnarounds. In some cases, the success of a Private Equity Fund's investment strategy will depend, in part, on the ability of the Private Equity Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Private Equity Fund will be able to successfully identify and implement such restructuring programs and improvements.

Risks Associated with Publicly-Traded Securities. A Private Equity Fund may invest in publicly-traded securities, and may hold publicly-traded securities following a partial exit from an investment. A Private Equity Fund's investments in securities of publicly-traded companies may be sensitive to movements in the stock market and trends in the overall economy. Moreover, 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.

Availability of Financing. A Private Equity Fund's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. A decrease in the availability of financing (or an increase in the interest cost), whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the Private Equity Fund's ability to consummate these transactions and would adversely affect the Private Equity Fund's returns.

Additional Capital Requirements of Portfolio Companies. Certain portfolio companies, especially those in a development or “platform” phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Private Equity Funds or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Private Equity Funds. In addition, a Private Equity Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Private Equity Fund’s proportionate ownership when a subsequent financing is planned, or to protect the Private Equity Fund’s investment when such portfolio company’s performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Private Equity Funds or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Asset Valuations. With certain limited exceptions, valuations of current income and disposition proceeds with respect to a Private Equity Fund’s investments will be determined by Raine in its sole discretion and will be final and conclusive for all Private Equity Funds. The Private Equity Funds may not provide periodic pricing or valuation information to investors with respect to their investments.

Reserves. The General Partners of the Raine PE Funds typically establish reserves for anticipated follow-on investments by the applicable Raine PE Fund in portfolio companies, Raine PE Fund expenses, liabilities and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. If reserves are inadequate, the applicable Raine PE Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with so-called “pay-to-play” or similar provisions. If reserves are excessive, the applicable Raine PE Fund may decline attractive investment opportunities.

Investments Longer than Term. A Raine PE Fund may make investments that may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that such Raine PE Fund will be dissolved, either by expiration of the Raine PE Fund’s term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner typically has a limited ability to extend the term of the applicable Raine PE Fund, that Raine PE Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Raine PE Fund, the General Partner will be required to use its best efforts to reduce to cash and cash equivalents such assets of the Raine PE Fund as the General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Liabilities Upon Disposition. In connection with the disposition of an investment in a portfolio company, a Private Equity Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which will be borne by the Private Equity Fund. In that regard, investors may be required to return amounts distributed to them to fund such obligations, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act and the Delaware Limited

Liability Company Act, each investor that receives a distribution in violation of such Acts will, under certain circumstances, be obligated to remit such distribution to the Private Equity Fund.

Conflicts Involving Senior Advisors. Please see Item 5.C above for certain risks associated with senior advisors.

Allocation of Fees and Expenses for Broken Deals among Raine Investment Vehicles. In respect of allocating fees and expenses incurred in connection with “broken deals,” or potential investments that Raine actively considers but does not consummate, Raine makes allocation decisions while a transaction is pending based on Raine’s best judgment of which fund or funds will ultimately be allocated the transaction. This judgment is necessarily subjective, especially when a transaction is terminated particularly early on. When an opportunity is terminated, absent a factual development to the contrary, the fees and expenses for such transaction will be allocated to such fund or funds. Investors may bear fees and expenses for a transaction that was terminated before such investors were admitted to an applicable Raine PE Fund. The financial position of the relevant funds may give Raine an incentive to allocate such fees and expenses to one fund and not another. For example, it may be advantageous to allocate broken deal fees and expenses to a fund that is not expected to pay carried interest to its General Partner, as the fees and expenses would not affect the amount of carried interest paid—it would be zero in any case. Conversely, it would be disadvantageous as an economic matter to allocate broken deal fees and expenses to a fund that is paying carried interest, as doing so would delay or reduce the amount of carried interest paid to the relevant General Partner. As with Raine’s other allocation decisions, Raine’s allocations procedures and principles are designed to mitigate the risk that financial incentives improperly influence the allocation of broken deal fees and expenses. In addition, in certain instances Raine will evaluate investment opportunities that, if consummated, would likely be offered in part to prospective co-investors (often via Raine-sponsored co-investment vehicles). As a general matter, absent a specific agreement with one or more such prospective co-investors to the contrary, no co-investor will bear broken deal expenses until and unless such person is contractually committed to do so, which typically occurs only once Raine accepts the prospective co-investor into the applicable Raine co-investment vehicle or the person is otherwise committed to invest in the prospective co-investment, neither of which generally occurs until shortly prior to the expected consummation, or contemporaneously with the consummation of, the applicable co-investment transaction. As a result, the full amount of any expenses and fees relating to such potential but not consummated investment will typically be allocated entirely to the applicable Raine PE Fund that would have participated in such investment, rather than to any prospective co-investors.

Conflicts relating to the Limited Partner Advisory Committee. Certain transactions that would otherwise be prohibited by the governing documents of a Raine PE Fund, including certain transactions that involve potential conflicts of interest between a Raine PE Fund and other Raine investment vehicles, may be effected with the approval of the applicable limited partner advisory committee. Some or all of the members of the limited partner advisory committee may also be on the limited partner advisory committee of such other fund or funds with which there is a potential conflict or may represent investors that have an interest in both the applicable Raine PE Fund and such other fund or funds. Such limited partner advisory committee members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests.

Allocation of Co-Investment Opportunities. The General Partner or Managing Member, as applicable, intends, where appropriate, to offer investors or third parties the opportunity to invest alongside the Raine PE Funds, or “co-invest,” in an investment that a Raine PE Fund (or Funds) is making. The General Partner or Managing Member, as applicable, is under no obligation to provide co-investment opportunities to any party, including investors, and has discretion to determine to whom and in what proportion it will offer and award co-investment opportunities. Accordingly, Raine is permitted to offer, and has from time to time offered, co-investment opportunities to some investors but not all of them. In addition, allocations of co-investment opportunities to investors (if any) will not necessarily correspond to their pro rata interests in an applicable Raine PE Fund. Investors and/or other persons may make such co-investments

on terms and conditions that are different from each other and the investment by the applicable Raine PE Fund, and these terms may be more or less favorable to such investors and/or other persons, including with respect to fees, expenses, carried interest and other material terms. Potential co-investors will typically not bear any transaction costs of investments that are not consummated or be subject generally to the same risks to which the applicable Raine PE Fund is subject throughout the investment process. In addition, co-investors may be subject to different liquidity terms than investors in the applicable Raine PE Fund, and typically have the ability to elect whether or not to participate in follow-on investments. Furthermore, distributions of income and proceeds related to each co-investment will be made separately from, and not aggregated with, distributions related to the applicable Raine PE Fund's corresponding investment. The General Partner or Managing Member, as applicable, may also offer co-investment opportunities on a systematic basis to one or more investors or other persons that make sizable investments in and/or commitments to the Raine Group, to Raine investment vehicles or to other persons or for other reasons, and may for administrative convenience or otherwise form one or more special co-investment vehicles for this purpose. The exercise of such co-investment rights may limit the amount of the investment opportunity available to the applicable Raine PE Fund and may limit the amount of co-investment opportunities available to other potential co-investors. In addition, the General Partner or Managing Member, as applicable, may offer co-investment opportunities to its consultants, service providers and advisors in portfolio companies for which such consultant, service provider or advisor provides services. The size of such co-investment opportunities will depend, in part, on the level of participation in respect of sourcing, evaluating and negotiating a particular portfolio company. The General Partner or Managing Member, as applicable, the Raine Group or any of their respective affiliates may make an investment, or otherwise participate, in any co-investment entity. A Raine PE Fund may temporarily warehouse a portion of an investment opportunity in order to facilitate a co-investment by one more affiliated or third-party co-investors. The co-invest buy-down generally occurs shortly after the applicable Raine PE Fund's completion of the investment to avoid any changes in valuation of the investment. Such co-investors or Raine co-investment vehicles typically dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Raine PE Fund making the investment. If such co-investment and co-invest buy-down are not ultimately consummated, the applicable Raine PE Fund may end up holding a larger portion of such investment than it otherwise expected to hold. When a Raine PE Fund invests alongside affiliated funds, the applicable Raine PE Fund may warehouse all or a disproportionate amount of an expected co-investment opportunity. The risk of a co-investment not being consummated may increase in the event an investment decreases in value during the warehousing period, and the applicable Raine PE Fund will typically be required to bear the losses in connection with any such investment.

Controlled Group Liability. The provision of managerial assistance to a portfolio company could result in the applicable Raine PE Fund being characterized as a "trade or business" for purposes of ERISA controlled group liability, and, in cases where the applicable Raine PE Fund has a significant ownership interest (generally 80% or more) in such portfolio company, there is a potential risk that the applicable Raine PE Fund and any portfolio company could be subject to controlled group liability under ERISA. These liabilities generally include funding obligations to single-employer pension plans and withdrawal liability from union-sponsored multiemployer pension plans. In July 2013, the U.S. Federal Court of Appeals for the First Circuit held that the portfolio company management activities of a private equity fund could cause the fund to be regarded, for ERISA controlled group liability purposes, as engaging in a "trade or business" (the "2013 Sun Capital Case"). Further, in March 2016, the U.S. District Court for the District of Massachusetts held that affiliated private equity funds investing in the same portfolio company may form a "partnership-in-fact." The District Court found that the affiliated funds forming the de facto partnership would be subject to controlled group liability if the funds together held 80% or more of the portfolio company in question (together with the 2013 Sun Capital Case, the "Sun Capital Cases"). Although the extent of the impact of the holdings in the Sun Capital Cases is unclear, the possibility of trade or business characterization remains a risk for the Raine PE Funds and private equity funds generally, especially in the First Circuit. Furthermore, the ownership interest of the Raine PE Funds in some or all of their portfolio companies could be sufficient to create a controlled group relationship, especially if the ownership interests of related and/or parallel funds are aggregated when applying the controlled group ownership tests.

Although many practitioners believe that such aggregation should not be required, there is some risk that a court might find otherwise, especially in the District of Massachusetts.

Platform Companies. Raine investment vehicles have established and invested in, and may in the future establish or invest in, portfolio companies that in turn seek to acquire interests in related companies or assets. Raine may structure these portfolio companies, which it refers to as “platform companies,” as operating joint ventures, holding companies, partnerships, structured finance vehicles, incubators, start up and other platform companies or other similar arrangements. In the event a Raine investment vehicle made such an investment, it generally would be expected that such Raine investment vehicle would monetize its investment in a platform company through a sale or public offering of the platform company (or the Raine investment vehicle’s interest in the company) or through sales of the platform company’s underlying assets.

While a Raine investment vehicle would typically be involved in the strategy, governance and oversight of any platform company, a platform company would also typically retain its own qualified management team to operate, administer and manage the company on a daily basis, including by sourcing the underlying assets. Such a management team would provide services that are similar to, and that may overlap with, services Raine provides to Raine investment vehicles. Members of the management team may render services exclusively to the platform company or provide the same or similar services to other portfolio companies and Raine investment vehicles. A platform company may compensate its management team in a number of ways, including through annual salaries and bonuses, incentive-based compensation (such as profits interests, promote, equity, options and warrants) and fees for services. In any case, a Raine investment vehicle would generally bear the cost of such compensation, as well as all other platform company expenses, including start up, operating and overhead expenses, through its indirect interest in the platform company.

A platform company’s structure and relationship to Raine creates conflicts of interest. For example, although Raine (by virtue of its control of its investment vehicles) would form the platform company and in doing so may determine or significantly influence the form and amount of compensation paid to a platform company’s management team, the platform company (and ultimately a Raine investment vehicle) bears the attendant expense. As with senior investment professionals, the close business or personal relationships that Raine may have with certain members of management give it less incentive to limit their compensation. In addition, given that Raine (and not the Raine investment vehicles) otherwise pays the salaries of its employees, Raine has the incentive to cause a platform company to retain its own management team instead of relying on Raine’s employees to provide managerial services, or to convert existing employees of Raine into members of a platform company’s management team.

Non-Controlling Investments. Raine expects to be actively involved with the portfolio companies of the Private Equity Funds and, in some cases, a representative of Raine will serve on a portfolio company’s board of directors. However, the Private Equity Funds will typically hold non-controlling interest in their portfolio companies and, therefore, may have a limited ability to protect their positions in, or influence the direction of, such portfolio companies.

The activities of the Private Equity Funds on behalf of their portfolio companies (for example, advising on business strategy, introductions to potential partners, etc.) frequently benefit all investors in the portfolio companies, and not only the applicable Private Equity Fund(s) that are typically minority investors. However, in general, the expenses of such activities will be borne only by the applicable Private Equity Funds, as Raine generally does not seek reimbursement for any such expenses directly from the portfolio companies.

Director Conflicts and Liability. A Raine PE Fund may obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of a portfolio company. While the interests of the Raine PE Fund as a shareholder in a portfolio company generally align with the interests of shareholders more broadly, it is possible that the fiduciary duties to the portfolio company and its

shareholders of Raine-appointed directors will conflict with the interests of the Private Equity Funds. For example, it may be inconsistent with a director's fiduciary duties to share information he/she receives regarding the relevant portfolio company with Raine personnel overseeing an investment in a different portfolio company even though that information would be beneficial to the other portfolio company and hence the Private Equity Funds.

Serving on the board of directors (or similar governing body) of a portfolio company exposes the Private Equity Funds' representatives, and ultimately the Private Equity Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Interactions with Other Portfolio Companies. Portfolio companies of Raine investment vehicles are typically not Raine affiliates for purposes of the governing agreements of Raine investment vehicles. As a result, the restrictions and conditions in the governing agreements that relate specifically to Raine affiliates do not apply to Raine portfolio companies, even if Raine has a significant economic interest in a portfolio company and/or ultimately controls it through Raine's control of the relevant investment vehicle. For example, in the event that a portfolio company of a Raine investment vehicle enters into a transaction with a portfolio company of another Raine investment vehicle, such transaction generally would not trigger the advisory committee disclosure, review or approval provisions of the governing agreements applicable to transactions with affiliates. Also, if a Raine investment vehicle establishes a platform company, investment opportunities that the platform company management sources for the platform company will not be offered to another Raine investment vehicle.

Material Risks Associated with the Hedge Funds

In addition to the material risks generally associated with the investment program of the Raine investment vehicles, the following material risks are some of the additional material risks associated with the investment programs of the Hedge Funds.

Frequent Trading. The investment programs of the Hedge Funds involve frequent trading of securities, which can affect the investment performance of the Hedge Funds, particularly through increased brokerage and other transactions costs and taxes.

Illiquid Investments. Although Raine generally expects the Hedge Funds to make investments in liquid securities, the Hedge Funds may make investments in restricted securities (e.g., in connection with an IPO) or market and other conditions may create illiquidity not anticipated by Raine. Accordingly, the Hedge Funds may not be able to readily dispose of such investments nor is there any guarantee that the Hedge Funds will be able to realize what Raine believes to be the fair value of the assets in the event of a sale. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. In addition, in times of extreme market disruption, there may be no market at all for one or more asset classes, potentially resulting in the inability of the Hedge Funds to dispose of their assets for an indefinite period of time. An investment in the Hedge Funds is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Eurozone Risks. The Hedge Funds from time to time invest in European assets and companies and companies that have operations that may be affected by the Eurozone economy. Macroeconomic events in the Eurozone could adversely affect the Hedge Funds' performance. Recent concerns regarding the sovereign debt of various Eurozone countries and proposals for investors to incur substantial write-downs and reductions in the face value of sovereign debt have given rise to new concerns about sovereign defaults, the possibility that one or more countries might leave the European Union or the Eurozone and various proposals (still under consideration and unclear in material respects) for support of affected countries and the Euro as a currency. The outcome of this situation cannot yet be predicted. Sovereign debt defaults and European Union and/or Eurozone exits could have material adverse effects on investments by the Hedge

Funds in European companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead to economic contraction and result in adverse effects for the Hedge Funds and their investments. It is possible that some of the Hedge Funds' investments may be denominated in Euro. Legal uncertainty about the funding of Euro-denominated obligations following any breakup of or exits from the Eurozone (particularly in the case of investments in companies in affected countries) could also have material adverse effects on the Hedge Funds.

Investments in Emerging Market Countries. The Hedge Funds may make investments in emerging market countries. Investments in emerging market countries may be subject to more substantial risks in political and macro-economic conditions, such as significant currency fluctuations, changes in governmental controls over the economy and high rates of inflation that cannot be predicted by Raine. Many emerging market countries have experienced these problems in the past. There can be no assurance that a recurrence of such problems will not have a materially adverse effect on the Hedge Funds' investments. Moreover, the economies of emerging market countries generally are more heavily dependent upon international trade than developed market countries and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Expropriation, confiscatory taxation, nationalization, political, economic or social instability or other developments could adversely affect the assets of the Hedge Funds held in particular emerging market countries.

Short Selling. The Hedge Funds' investment programs include short selling. Short sales may be made, for example, if Raine believes the securities or instruments are overpriced relative to their intrinsic or fundamental value or to other securities or indices that may provide a hedge, or are expected to depreciate in value due to a catalyzing event or change in circumstances. In addition, short positions may be taken if, in the view of Raine, such positions will reduce the risk inherent in taking long positions. The extent to which the Hedge Funds engage in short sales will depend upon their investment strategies and perception of market direction. An uncovered short sale of an instrument involves the risk of an increase in the market price of the instrument, which could result in an inability to cover the short position or a substantial and theoretically unlimited loss, while the prospective gain on such short sale generally is limited to the proceeds of such sale. There can be no assurance that the Hedge Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Hedge Funds can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). Furthermore, there can be no assurance that securities or instruments necessary to cover a short position will be available for purchase. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The rules affecting short sales in the U.S. and other jurisdictions are constantly evolving in ways that have restricted or may restrict the ability of the Hedge Funds to engage in short selling. It is impossible to predict what, if any, changes to the rules affecting short sales may occur in the future, but any new regulation could have a materially adverse impact on the ability of the Hedge Funds to achieve their investment strategies.

Options. The Hedge Funds may incur risks associated with the sale and purchase of call options. The Hedge Funds' options transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another position), a form of leverage or an investment made pursuant to the Hedge Funds' investment strategies. The risk/return profile of an option may vary depending on the characteristics of the relevant transaction. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the

securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment (plus transaction costs) in the call option. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. The Hedge Funds may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment (plus transaction costs) in the put option. Over-the-counter ("OTC") options may also expose the Hedge Funds to counterparty risk.

Over-the-Counter Derivatives. The Hedge Funds may enter into OTC derivatives. OTC derivatives are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Depending on their structure, OTC derivative agreements may increase or decrease the Hedge Funds' exposure to long-term or short-term interest rates, foreign currency values, corporate borrowing rates or other factors. OTC derivatives can take many different forms and are known by a variety of names. The Hedge Funds are not limited to any particular form of OTC derivative agreement if consistent with the Hedge Funds' investment objectives and policies.

Depending on how they are used, OTC derivatives may increase or decrease the overall volatility of the Hedge Funds' portfolio. The most significant factor in the performance of OTC derivative agreements is the change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the Hedge Funds. If an OTC derivative agreement calls for payments by the Hedge Funds, the Hedge Funds must be prepared to make such payments when due.

Seeking exposure to reference assets through OTC derivatives presents risks different from those involved in direct investments in such types of assets. Many OTC derivatives contracts are not centrally cleared, meaning that the Hedge Funds would have a contractual relationship only with the OTC derivatives contract counterparty, and not a clearinghouse or the reference entity obligated under the reference obligation. The Hedge Funds may have no right to enforce compliance by the reference entity with the terms of the reference obligation and may not have any voting or other consensual rights of ownership with respect to the reference obligation. The OTC derivatives contract counterparty generally will not be obligated to own any of the reference obligations. If the OTC derivatives contract is cash settled, the counterparty will not be obligated to deliver any of the reference obligations. In addition, if a counterparty's creditworthiness declines, the value of OTC derivatives with such counterparty can be expected to decline, potentially resulting in losses by the Hedge Funds. Disputes can also arise regarding the settlement prices of OTC derivatives.

The principals who deal in the OTC derivatives markets are not required to continue to make markets in the asset classes they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain asset classes or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Unlike participants in other markets (such as the securities markets), participants in many OTC derivatives markets are not subject to any obligation to provide the best price or charge reasonable mark-ups or fees.

Disruptions can occur in the OTC derivatives markets traded by the Hedge Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental

authorities might also limit such OTC trading to less than that which Raine would otherwise recommend, to the possible detriment of the Hedge Funds. Market illiquidity or disruptions may also (a) prevent or delay the calculation of amounts payable under the Hedge Funds' OTC derivatives or the Hedge Funds' ability to make or receive payments or deliveries and/or (b) result in the application of alternative valuation and settlement mechanisms. The terms and conditions of the Hedge Funds' OTC derivatives may specify alternative methods, or "disruption fallbacks," that apply when such disruption events occur. The application of these disruption fallbacks may be subject to discretionary determinations by a calculation agent, which may involve subjective judgment and uncertainty and have a significantly detrimental effect on the economics of the Hedge Funds' OTC derivatives.

The reference rates or prices for OTC derivatives may be compiled by an industry association, a government agency or central bank, exchange, clearinghouse, price reporting agency or determined by a designated calculation agent, including based on submissions from financial institutions and other market participants (including participants trading for their own accounts and for customers) or quoted prices or yields of fixed income securities or interest rate swaps. Depending on the manner in which a reference rate or price is calculated and by whom, the reference rate or price can be affected by the particular circumstances of submitting institutions or the supply and demand conditions for particular reference assets or instruments. The integrity of the reference rate or price may also be impaired by unrepresentative data, conflicts of interest or market disruption. The body responsible for defining and compiling a reference rate or price may also make methodological or other changes that could change the value of the reference rate or price or may alter, discontinue or suspend calculation or dissemination of the reference rate or price. As a result of such circumstances, the reference rates or prices for the Hedge Funds' OTC derivatives could diverge from the broader market environment in unexpected ways not taken into account as part of Raine's investment strategy, which could adversely affect the performance of that strategy. In addition, wide-ranging government investigations have resulted in allegations of misconduct against major financial institutions in connection with their benchmark setting and related trading activities. Any such misconduct could adversely affect the results of the Hedge Funds' trading in OTC derivatives that reference these benchmarks. The OTC derivatives market has been an area of increased regulatory focus, and changes to the regulation of OTC derivatives could increase transaction costs and adversely affect the ability of Raine to pursue effective investment strategies involving OTC derivatives.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearinghouses, banks, securities firms and exchanges with which the Hedge Funds interact, as well as the Hedge Funds themselves, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the securities in which the Hedge Funds seek to invest.

Other Derivative Instruments. The Hedge Funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objectives of the Hedge Funds and legally permissible. Special risks may apply to instruments that are invested in by the Hedge Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the Hedge Funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Certain derivative instruments (including options, swaps and other instruments) may be treated for U.S. federal income tax purposes as giving rise to dividend equivalent payments subject to U.S. withholding tax to the extent paid to or allocated to foreign persons. In certain circumstances such withholding taxes may become due retroactively as a result of events that occur after the date such derivatives are entered into, and the gross dividend equivalent payments subject to withholding tax may exceed the net amount of payments due to the Hedge Funds.

Counterparty Risk. The Hedge Funds are subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. If one or more of the Hedge Funds' counterparties were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Hedge Funds' securities and other assets from such counterparty will be delayed or be of a value significantly less than the value of the securities or assets against which the Hedge Funds have a claim. Further, the insolvency of any of the Hedge Funds' counterparties would likely impair the operational capabilities of the Hedge Funds and their ability to position themselves in the market.

In addition, the Hedge Funds may transact with counterparties located in various jurisdictions outside the U.S. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Hedge Funds' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Hedge Funds and their assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Hedge Funds that could be material.

Some of the markets in which the Hedge Funds may trade are OTC markets. The participants in such markets may not be subject to the same levels of credit evaluation and regulatory oversight as members of exchange-based markets. This could expose the Hedge Funds to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Hedge Funds to suffer a loss. In addition, in the case of a default, the Hedge Funds could become subject to adverse market movements while replacement transactions are executed. The ability of the Hedge Funds to transact business with any one or more counterparties, the lack of complete evaluation of the financial capabilities of such counterparties, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Hedge Funds.

Highly Volatile Investments. The prices of derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Hedge Funds' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Hedge Funds also are subject to the risk of the failure of any exchanges on which their positions trade or of their clearinghouses.

Arbitrage. Risk arbitrage typically involves the purchase and/or sale of a position in a security subject to a merger, acquisition, an exchange offer, tender offer, reorganization, liquidation or other corporate event. In a typical transaction, the Hedge Funds may seek to profit from the "spread" between the current market price and the amount to be realized if the corporate event occurs. If the Hedge Funds purchase the target company's shares, which are to be exchanged for shares of the acquiring company, the Hedge Funds may seek to offset, wholly or partially, the purchase with the use of options or other derivatives or a short sale of shares of the acquiring company's stock to seek to reduce general market risks and risks specific to the acquiring company. The Hedge Funds will remain subject to the risks that the corporate event does not occur or that hedging is imperfect. The consummation of mergers, acquisitions, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) regulatory and antitrust restrictions; (ii) political factors; (iii) industry weakness; (iv) stock-specific events; and (v) failed financings. Risk arbitrage success is largely dependent upon the ability of Raine to correctly analyze the outcome and the completion date of the proposed transaction. In the event the proposed transaction is not consummated, the value of the securities held by the Hedge Funds (which typically are purchased at a significant premium to the preannouncement market price) may decline significantly.

Asset Valuations. The Hedge Funds' assets and liabilities are valued in accordance with the valuation policy of the Hedge Funds. These valuation determinations are inherently subjective and there is a risk that assets and liabilities may be undervalued and/or overvalued. Incomplete data, market instability and financial model assumptions that are based on judgment may contribute to additional valuation uncertainties. Inaccurate valuations can impact, among other things, the amount of capital received by an investor when withdrawing capital from the Hedge Funds and the amount of incentive allocation and management fee received by Raine. As a result, investors can be negatively impacted by inaccurate valuations.

Additionally, in the event the Hedge Funds hold securities or other instruments for which no (or only a limited) liquid market exists, the Hedge Funds will be required to resort to other pricing methodologies, including for example third-party valuation experts and/or models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then-current market conditions and other factors believed at the time to be likely to influence the potential resale price of an investment. Such methodologies may not prove to be accurate and the Hedge Funds' inability to price securities or assets accurately may result in adverse consequences for the Hedge Funds.

Operational Risk. The Hedge Funds depend on Raine to develop the appropriate systems and procedures to control operational risk. Operational risks arising from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Hedge Funds' operations may cause the Hedge Funds to suffer financial loss, the disruption of their business, liability to clients or third parties, regulatory intervention or reputational damage. The Hedge Funds rely heavily on its financial, accounting and other data processing systems. Any failure of these systems could also adversely affect the Hedge Funds' performance.

Trade Errors. On occasion, trade errors may occur with respect to trades executed on behalf of the Hedge Funds. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, when a security is purchased instead of being sold (or vice versa), when the correct security is purchased or sold but for the wrong account and when the wrong quantity is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded). We will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. The Hedge Funds use an outsourced trading firm, which firm has agreed to indemnify the Hedge Funds for any trading errors committed by such firm, but there can be no assurance that the Hedge Funds will be able to collect on such indemnity. To the extent an error is caused by another third-party, such as a broker, we will strive to recover any losses associated with the error from such third-party. In the absence of recovery from a third-party as described above, we will determine whether any trade error has resulted from gross negligence on our part, and, unless we find that to be the case, any losses will be borne by (and any gains will benefit) the Hedge Funds.

Item 8.C – Particular Securities

Raine does not recommend investments in a particular type of security. The types of securities in which a Raine investment vehicle invests and the material risks associated therewith are described in the offering and/or governing documents of the applicable Raine investment vehicle provided to investors prior to the time of an investment. Item 8.B provides a summary of certain material risks associated with an investment in the Raine investment vehicles. The information contained in Item 8.B is a summary only and investors should refer to the offering and/or governing documents of the applicable Raine investment vehicle for a complete overview of the types of securities Raine recommends and the material risks associated therewith.

ITEM 9 – DISCIPLINARY INFORMATION

Neither Raine nor any of its executive officers, members of its investment committee, portfolio manager, managing partner or other “management persons” as defined in Form ADV has been subject to the legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A – Broker-Dealers

Raine is not registered, and does not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. As discussed separately in this Brochure, Raine Securities LLC is a registered broker-dealer. The following management persons of Raine are registered representatives of Raine Securities LLC: Joseph Ravitch, Jeffrey Sine, Brandon Gardner, John Salter and Angela Renee Risher.

Item 10.B – Futures and Commodity Trading

Not applicable.

Item 10.C – Material Relationships

Raine is an affiliate of Raine Securities LLC, a broker-dealer registered with the SEC and a member of FINRA.

Additionally, certain affiliates of Raine are regulated or otherwise authorized by foreign regulators to conduct limited business activities in the applicable international jurisdictions. As a result, many of the disclosures related to the Raine broker-dealer are also applicable to those affiliates.

The Raine broker-dealer and its affiliates from time to time provide a broad spectrum of financial advisory and consulting services to certain portfolio companies of one or more Raine investment vehicles, including investment banking, lending, financial and merger and acquisition advisory services, underwriting, acting as selling group participant, acting as private placement agent, business consulting and similar activities. The Raine broker-dealer and its affiliates may also provide such services to a third-party in whom a Raine investment vehicle subsequently acquires an interest. The Raine broker-dealer and its affiliates have received and are expected to continue to receive significant advisory or other fees for such services. The Raine broker-dealer and its affiliates also act as placement agent for the Raine investment vehicles in certain jurisdictions (although no commissions or other compensation is received by the Raine broker-dealer or its affiliates for such services) and have acted and are expected to continue to act as an agent in connection with secondary sales of securities of a portfolio company. Raine also sources investment opportunities for the Raine investment vehicles from the Raine broker-dealer and its affiliates’ financial services businesses. The Raine broker-dealer and its affiliates do not otherwise execute transactions on behalf of the Raine investment vehicles. In addition to those activities of the Raine broker-dealer described above, Raine, its affiliates, and its senior advisors may enter into transactions with portfolio companies to provide certain consulting or other services, including, but not limited to, branding, sponsorship, and content-related services. Raine, its affiliates, and its senior advisors may receive fees in connection with such consulting or other services, which may be retained in whole or in part by Raine, its affiliates or the relevant senior advisor of Raine. No Raine investment vehicle will share in any fees or other benefits, whether by fee offset or otherwise, that accrue to the Raine broker-dealer and its affiliates for its

role in any transaction or its provision of any consulting or other services, whether or not related to a portfolio company.

The relationship Raine has with the Raine broker-dealer may give rise to a material conflict of interest between the Raine Group (including Raine and the Raine broker-dealer), on the one hand, and a Raine investment vehicle, on the other. In particular:

- The Raine Group may have a financial incentive to refer “buyside” opportunities (e.g., opportunities to acquire the securities or debt of a company, whether in the form of capital raises, outright acquisitions, or otherwise) to the Raine broker-dealer and not to a Raine investment vehicle for which such opportunities might be suitable. For example, the Raine Group may be incentivized to prefer the relatively greater certainty and/or nearness in time of fees earned by the Raine broker-dealer in respect of such opportunities to the lesser certainty and/or longer time horizon of carried interest potentially earned by a General Partner or Managing Member.
- The Raine broker-dealer may have a financial incentive to recommend transactions to its clients that are not in the best interests of Raine’s clients.
- Raine may be incentivized to seek to influence the decision by a portfolio company’s management to retain the Raine broker-dealer, or to otherwise transact with the Raine broker-dealer, in favor of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms.
- Raine may also be incentivized to structure portfolio company transactions so that they require the use of a broker-dealer (and consequently provide an opportunity for the Raine broker-dealer to be retained by a portfolio company and generate fees or other compensation).
- Raine may be incentivized to cause clients to participate in a transaction in which they otherwise would not participate if the Raine broker-dealer or its affiliates would benefit from the transaction.
- Raine’s senior investment professionals may also serve as members of the boards of directors of various companies that could engage in transactions which would be suitable for the Raine investment vehicles, but in which one or more of such Raine investment vehicles might not be able to invest due to the involvement of the Raine senior investment professionals with such companies. Conflicts arise as a result of such activities.
- The Raine broker-dealer may advise a portfolio company on raising capital, including a financing in which a Private Equity Fund is expected to participate. The Raine broker-dealer’s fee from the portfolio company in connection with such financings will generally be based on the investment proceeds raised. Although the Raine broker-dealer’s fee will typically exclude proceeds invested by any Private Equity Fund, such fee will typically increase with the price paid by the Private Equity Funds in such transactions.
- The principals and/or management persons spend time managing and working on the activities of the Raine broker-dealer and its affiliates, which could impact their ability to devote time to the activities of the Raine investment vehicles.

Raine has internal policies and procedures designed to address these conflicts of interest, including, among others:

- Raine requires all employees to agree to abide by the terms of Raine’s Code of Ethics which, as described in Item 11, sets forth Raine’s status as a fiduciary and requires employees to act in the best interest of the advisory clients and to place the interests of advisory clients ahead of their own and those of Raine
- Raine provides training to employees who may be exposed to these potential conflicts of interest.
- Raine establishes information barriers where appropriate to alleviate or mitigate potential conflicts of interest,
- Raine employs a robust investment review process, and has allocation policies and procedures, that it believes mitigate and alleviate the conflicts of interest described above. In particular, under no circumstances may Raine or an affiliate allocate investment opportunities based on anticipated compensation or profits to Raine, the Raine broker-dealer or any of their affiliates or employees.
- Raine requires, depending on the specific facts and circumstances, additional consents or approvals from Raine’s investment committee, a Raine PE Fund’s limited partner advisory committee or third-party portfolio company directors prior to engagement of the Raine broker-dealer by a portfolio company.
- The Raine broker-dealer will not receive a fee in respect of proceeds invested by any Private Equity Fund in a capital raise on which the Raine broker-dealer is acting as placement agent unless, among other things, the “notice and consent” requirements of Section 206(3) of the Advisers Act have been met (see also Item 11.A below).
- Raine and its professionals intend to devote such time as shall be necessary to conduct the business affairs of the Raine clients in an active and appropriate manner.
- With respect to the Raine PE Funds, each Raine PE Fund has a limited partner advisory committee whose members consist of certain investors who are not affiliated with Raine or its affiliates. With respect to the Hedge Funds, the Hedge Funds may establish limited partner advisory committees whose members consist of certain investors who are not affiliated with Raine or its affiliates. In accordance with the governing agreements of the applicable Raine investment vehicle or on a voluntary basis, a General Partner may consult with and/or seek the assistance of the limited partner advisory committee in resolving conflicts of interest.

Raine provides investment advisory services to, and it and its affiliates serve as sponsors of, the Private Equity Funds and the Hedge Funds, and may, in the future provide investment advice to and/or serve as sponsors of affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. The General Partners and the Managing Members are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Raine’s registration. These affiliated investment advisers operate as a single advisory business together with Raine, are under common control and are subject to Raine’s code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act. Please refer to Item 11 for a discussion of the potential conflicts of interest that may arise as a result of such activities and relationships and the policies and procedures Raine has adopted to address these conflicts.

Item 10.D – Other Investment Advisors

Not applicable.

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

Item 11.A – Code of Ethics

Raine’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code applies to Raine’s “Access Persons.” Access Persons include, generally, any partner, officer or director of Raine and any employee or other supervised person of Raine who, in relation to Raine’s advisory clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All of Raine’s employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Raine’s status as a fiduciary and requires Access Persons to place the interests of advisory clients above their own interests and the interests of Raine. Access Persons must not take any inappropriate advantage of their positions. The Code requires Access Persons to comply with applicable securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Raine’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Raine’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and periodic account statements, transaction confirmations and any other information reflecting account or transactional activity in accordance with Advisers Act Rule 204A-1.

The Code also describes Raine’s duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) Raine’s clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of Raine who possess non-public information, whether or not it is material, must not trade in the securities affected by such information and must not disclose such information to anyone who does not have a legitimate need to know it. As discussed under Item 11.C, Raine maintains a Restricted List to track securities of such issuers.

Investors or prospective investors may obtain a copy of the Code by contacting the Chief Compliance Officer at (212) 603-5500 or legal@raine.com.

Item 11.B – Participation or Interest in Client Transactions

Raine provides ongoing portfolio management and investment advisory services to Raine clients. As part of providing such services, Raine is responsible for monitoring and managing each Raine client’s investment portfolio in accordance with its particular investment objectives, broader investment themes, limitations and guidelines (including portfolio concentration and other limits), and as set forth in the applicable governing agreements. Raine also complies with restrictions provided in the applicable governing agreements relating to principal transactions or other affiliated transactions, in which Raine or its personnel may have interests that are not aligned with the interests of one or more of its clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from or sells any security to any advisory client. Raine or its related persons, as principal, may buy securities from or sell securities to its clients. This practice could create a conflict of interest because Raine or a related person may have an incentive to buy securities from or sell securities to Raine clients based on its own financial interests, rather than solely the interests of the client. Raine and its related persons, however, generally do not trade securities on a principal basis with Raine clients. To the extent that Raine and/or its related persons engage in principal securities transactions, any such transaction will comply with the policies described below.

An agency cross transaction is generally defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction (which could include another advisory client). The potential for agency cross transactions, or other conflicts of interest, arises given our affiliation with the Raine broker-dealer. For example, in the course of conducting its business, the Raine broker-dealer and its affiliates will from time to time act as broker-dealer or agent in advising on securities transactions for its clients and other persons, which may include Raine's clients. In addition, Raine's clients from time to time invest in portfolio companies that are clients of the Raine broker-dealer and its affiliates, and the Raine broker-dealer and/or such affiliates could potentially be entitled to a fee in respect of such investment. As a result, a conflict of interest may exist between Raine's clients, on the one hand, and the Raine broker-dealer and/or its affiliates, on the other hand. As described in this Brochure, Raine has established policies and procedures reasonably designed to mitigate such conflicts of interests.

In addition, cross transactions may occur where an adviser executes a securities transaction between two (or more) of its managed client accounts. Cross transactions may benefit clients because they can avoid transaction fees that might otherwise apply had the buy and the sell transaction been exposed to potential market transaction fees. However, they also can create conflicts of interest because, by not exposing such buy and sell transactions to market forces, clients may not receive the benefits of best price, or an adviser might seek to prop up the performance of one fund by selling under-performing assets to another fund in order, for example, to earn higher fees in the aggregate.

It is Raine's policy not to execute any principal or agency cross transactions for Raine client accounts unless Raine deems the transaction to be in the best interest of a particular Raine client, Raine's client and the Chief Compliance Officer give prior consent, and the transaction complies with the "notice and consent" requirements of Section 206(3) of the Advisers Act. Raine also generally refrains from cross trading between Raine client accounts unless the consent of both Raine clients is obtained or the Chief Compliance Officer approves the transaction based on special circumstances.

Subject to certain terms and conditions, on occasion and to the extent permitted by law and specific Raine policies, Raine may effect rebalancing transactions between one Raine client and another Raine client pursuing similar investments. In such case, a Raine client may purchase a security held by another Raine client or may sell a security to another Raine client. Raine will not undertake a rebalancing transaction with a Raine client if it determines, in its sole discretion, that such a transaction is not in the best interests of the Raine clients involved. Raine effects these transactions based on the then-current independent market price and consistent with valuation procedures established by Raine. Neither Raine nor any of its affiliates receive any compensation in connection with such rebalancing transactions. These rebalancing transactions generally will be effected without brokerage commissions being charged. To the extent that such transactions may be viewed as principal transactions due to Raine's or its affiliates' ownership interest in a particular Raine client, Raine will either not effect such transaction or comply with the requirements of Section 206(3) of the Advisers Act, including that Raine will notify the Raine client.

The Raine Group, the principals, certain Raine employees, and certain business associates and "friends and family" of the Manager, the Raine Group or the senior investment professionals currently

invest and may in the future invest directly or indirectly in one or more Raine investment vehicles. Such investments generally are not subject to the management or performance-based fees described in Items 5 and 6 above. The fact that the Raine Group, the principals and certain employees have financial ownership interests in certain Raine investment vehicles creates a potential conflict in that it could cause Raine to make different investment decisions than if such parties did not have such financial ownership interests. In addition, senior advisors may invest in Raine clients or in their portfolio companies, and Raine clients may invest in portfolio companies in which senior advisors hold existing material investments. Raine's principals, employees or senior advisors may invest in other private equity investment vehicles (including single investor co-investments) managed by other advisers and in operating companies. In some cases, Raine or the Private Equity Funds may invest in portfolio companies that are owned by such other investment vehicles or directly by Raine principals, employees or senior advisors, which may directly or indirectly benefit any such principals, employees or senior advisors. Raine carefully considers the risks involved in any investments and Raine provides extensive disclosure to investors regarding the potential risks that come with an investment in the Raine investment vehicles.

In addition, Raine employees (including the senior investment professionals) may carry on personal investment activities, subject to the Raine Group's internal compliance policies and procedures, for their own account and for family members or others who do not invest in the Raine investment vehicles. The investments that such employees may pursue may differ from advice given to, or securities recommended, bought or sold for, Raine clients, even though their investment objectives may be the same or similar.

Raine or its affiliates may, from time to time, receive fees or other payments in respect of investments completed by certain Raine investment vehicles, such as deal fees, monitoring fees or transaction fees. Such parties may also receive "break-up" fees and other compensation with respect to portfolio company investments (including unconsummated investments). Such fees are not dependent on the performance of the investment, and may create a conflict of interest between Raine and its clients. To address this potential conflict, a certain portion of these fees generally offset the management fees paid by the applicable Raine clients to Raine. In addition, as described in more detail in Item 10.C, Raine has internal policies and procedures designed to address conflicts of interest, employs a robust investment review process that it believes mitigates and alleviates conflicts of interest, and, with respect to the Raine PE Funds, each Raine PE Fund has a limited partner advisory committee which, in accordance with the governing agreements of the respective Raine PE Fund or on a voluntary basis, the General Partner may consult in seeking to resolve any conflicts of interest. The Hedge Funds may establish limited partner advisory committees for a similar purpose.

Employees and senior advisors of Raine have served and are expected to continue to serve on the boards of, serve as employees of, or otherwise be retained as consultants by portfolio companies of Raine clients. Since Raine may be reimbursed for certain compensation and other fees and expenses that relate to the employment of certain expected portfolio company employees or retention of certain senior advisors or consultants, Raine could have a conflict of interest in connection with the applicable Private Equity Fund's initial investment in such portfolio company and the resulting reimbursement of such amounts. In addition, as a result of the Private Equity Funds' (and in particular the Raine Growth Funds') interests in portfolio companies, Raine frequently has the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of compensation for board members, portfolio company employees and/or consultants retained by portfolio companies, including the senior advisors. Serving on a portfolio company board may give rise to conflicts to the extent that a Raine employee's (or senior advisor's) fiduciary duties to a portfolio company as a director may conflict with the interests of the Raine clients that are invested in such portfolio companies. Employees and senior advisors may receive directors' fees for serving on the board of directors of a portfolio company or compensation and expense reimbursement in connection with employment or consulting services, which may be retained in whole or in part by the relevant employee or senior advisor. Such amounts received by senior advisors do not offset the management fee. In addition, portfolio companies of Raine clients may, from time to time, make discounts, complimentary goods and services and other benefits available to employees and senior

advisors in connection with products or services offered by such companies that may not otherwise be available to the public. Although Raine does not expect any impact to be material, these discounts could potentially adversely affect the returns of such portfolio companies and, in turn, the returns of our clients. To address conflicts of interest related to receipt of such discounts and benefits by employees and certain senior advisors, Raine considers them to be gifts from third parties, and they therefore are subject to the same reporting and/or preclearance requirements as other third-party gifts.

Raine or its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Raine investment vehicles that will not be subject to the management fee offset or otherwise shared with the clients, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as an account expense typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Raine and/or such personnel even though the cost of the underlying service is borne by the accounts, investors and/or portfolio companies.

Certain investors that have committed or contributed, and may in the future commit or contribute, significant capital to certain Raine investment vehicles hold an interest in the Raine Group and are therefore entitled to indirectly receive a portion of the management and performance fees from the Raine clients. These arrangements are not available to other investors in the Raine clients that have not entered into comparable arrangements with the Raine Group. In addition, Raine may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Raine clients. Additionally, Raine and/or its personnel maintain business and investment relationships with financial institutions and other service providers, some of which may invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services to, Raine, and/or Raine’s clients.

Raine and its affiliates have a material financial interest with respect to fees paid by Raine clients. Management fees are payable without regard to the overall success or income earned by the Raine clients and create an incentive on the part of Raine to raise or otherwise increase assets under management to a higher level than would be the case if Raine were receiving a lower or no management fee. The performance-based fees (i.e., carried interest and incentive allocation) create an incentive for Raine to make investments that are riskier or more speculative than in the absence of such fees.

To the extent that one or more Raine investment vehicles invest in the same securities of the same issuer, Raine will generally seek to ensure that all participants in such investment participate on comparable terms. This may not be practicable or appropriate in all circumstances, however, and one or more Raine investment vehicles may participate in such investments on different and potentially less favorable terms than other participants if Raine deems such participation as being otherwise in the best interests of the participating Raine clients. This may have an adverse impact on one of the participating Raine clients.

Raine provides investment advisory services to, and it and its affiliates serve as sponsors of, both the Private Equity Funds and the Hedge Funds, and may, in the future provide investment advice to and/or serve as sponsors of affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. In accordance with Raine’s internal policies and procedures, as well as the governing agreements of the Raine investment vehicles, Raine seeks to allocate investment opportunities among its clients in a fair and equitable manner, bearing in mind, among other things, the terms related to investment allocation of each relevant Raine investment vehicle’s governing agreements as well as the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs. Under certain circumstances, certain persons, including existing investors, may be permitted to co-invest directly in a particular portfolio company. Under no circumstances may Raine or an affiliate allocate investment opportunities based on anticipated compensation or profits to Raine, the Raine broker-dealer or any of their affiliates or employees. In addition, Raine and its professionals intend to devote such time as shall be necessary to conduct the business affairs of the Raine clients in an active and appropriate manner. However, investors should be aware that many of the investment professionals

that devote a portion of their time conducting the business and affairs of the Raine investment vehicles have significant other responsibilities to Raine and its affiliates, and accordingly, are obligated to spend a portion of their professional time on other clients of Raine and the Raine Group.

In addition, a Raine investment fund may invest in a company that competes with, is a customer of or a service provider or supplier to another Raine investment fund or one of its portfolio companies. This practice may give rise to certain conflicts of interest. First, a client or its portfolio company may take actions for commercial reasons that have adverse consequences for another client or its portfolio company, such as seeking to increase the portfolio company's market share at the expense of the other portfolio company (as a competitor), withdrawing business from a portfolio company in favor of a competitor that offers the same product or service at a more competitive price (as a customer), increasing prices in lock-step with other enterprises in the industry (as a supplier) or commencing litigation against a portfolio company (in any capacity). Secondly, a client may obtain information while dealing with its portfolio companies that it is prohibited from acting on or disclosing to another client or its portfolio company as a result of confidentiality requirements or applicable law, even though such action or disclosure would be in such other client's or portfolio company's interests. In addition, to the extent not restricted by confidentiality requirements, Raine may apply the experience obtained by managing a client to benefit other clients. Raine investment funds are under no obligation to take into account the interests of another client when advising their portfolio companies.

Raine has policies and procedures in place to address these potential conflicts of interest as described in this Item 11.B and as further described in Item 10 above.

Item 11.C – Personal Trading

Access Persons of Raine are permitted to make securities transactions in their personal accounts. This presents potential conflicts in that an Access Person could make improper use of information regarding a Raine client's holdings or future transactions or research paid for by the Raine clients. An Access Person could take for himself or herself an investment opportunity available to a Raine client or could engage in "front-running" of a Raine client's investment.

Raine manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. Raine requires that Access Persons pre-clear all securities transactions in their personal accounts, other than in respect of investments in open-end mutual funds and other similar investment vehicles. Generally, except in certain limited circumstances, trades of securities in or substantially related to the TMT sectors are not approved other than (i) the sale of positions held at the commencement of employment with Raine at a time when there is not and would not appear to be a conflict of interest, (ii) the automatic exercise of in-the-money options immediately prior to their expiration and (iii) other extraordinary circumstances. Requests for pre-clearance are reviewed for potential conflicts of interest with the Raine clients. In addition, Raine Access Persons are prohibited from purchasing securities in IPOs.

Raine maintains a "Restricted List" which includes, among others, the names of issuers of securities about which Raine or its affiliates (including Access Persons) have learned material, non-public information, or who have retained Raine or its affiliates as a financial advisor in a material, public transaction. Access Persons are strictly prohibited from trading securities on the Restricted List.

Item 11.D – Personal Trading Contemporaneous with Client Transactions

Please refer to Items 11.A, 11.B and 11.C.

ITEM 12 – BROKERAGE PRACTICES

Item 12.A – Selection of Broker-Dealers

With respect to the Private Equity Funds, our investment advice focuses on making opportunistic private equity investments in the equity or debt of operating companies that are primarily in Raine’s core sectors. Accordingly, as a general matter, the Private Equity Funds do not invest in publicly-traded securities, and generally do not transact business through broker-dealers. However, in situations where we may need to select a broker-dealer for public securities transactions, we will seek to obtain best execution of transactions.

In addition, with respect to Raine’s private company securities transactions on behalf of the Private Equity Funds, Raine may retain the Raine broker-dealer or one or more other broker-dealers or investment banks, the costs of which will be borne by the relevant Private Equity Funds and/or their portfolio companies. In doing so, Raine will consider a variety of factors, including, but not limited to: (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 Raine generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Private Equity Funds may not necessarily pay the lowest commission or fee for such services.

With respect to the Hedge Funds, we have sole discretion to decide which broker-dealers the Hedge Funds will use and in negotiating the rates of compensation that the Hedge Funds will pay. We will seek to obtain best execution in allocating portfolio transactions for the Hedge Funds. As noted in Item 10, the Hedge Funds currently utilize a third party for brokerage and execution services (the “Outsourced Trading Firm”). The Outsourced Trading Firm provides these services in order to provide increased liquidity, the ability to access a variety of market venues, enhanced and more timely execution capability, anonymity and access to research from broker-dealers with which the Outsourced Trading Firm maintains trading relationships that may not otherwise be available to us. Raine believes the use of the Outsourced Trading Firm as outsourced execution provider and, on a non-exclusive basis, executing broker is consistent with our duty of obtaining best execution for the Hedge Funds. The Outsourced Trading Firm is compensated through a service fee on trades for the performance of trading functions on behalf of the Hedge Funds. This may cause the Hedge Funds to pay higher brokerage fees than might be paid if Raine performed this function internally, particularly in the case of trades that we direct to be executed with a broker other than the Outsourced Trading Firm. Raine believes this potentially higher fee rate is reasonable given the services and access provided to Raine and the Hedge Funds that may not otherwise be available.

In seeking best execution, the determinative factor is not always the lowest possible per security price or commission but whether, in our view, the transaction represents the best overall qualitative and quantitative execution for our clients. Our process of determining best execution involves not only an assessment of brokerage commissions or bid/offer spreads, but also an evaluation of broker-dealer ancillary services. We will consider the full range of a broker-dealer’s services in assessing best execution, including, but not necessarily limited to: (i) competitiveness of commission rates and spreads; (ii) promptness of execution; (iii) past history in executing orders; (iv) clearance and settlement capabilities; (v) research capabilities and quality access to markets, investments (including access to new issues) and distribution network; (vi) trade error rate and ability or willingness to correct errors; (vii) anonymity/confidentiality; (viii) market impact; (ix) liquidity; (x) speed of execution; (xi) expertise with complex transactions; (xii) ability to handle a block order for securities; (xiii) trading style and strategy; (xiv) geographic location; (xv) custodial and other services provided; and (xvi) operational facilities and technology (including back office efficiency). We are not required to weigh any of these factors equally.

Although we will seek competitive commissions and spreads, we may not necessarily obtain the lowest possible rates for portfolio transactions. The commissions, spreads or other transaction fees charged by an executing broker-dealer may be higher or lower than those charged by other broker-dealers. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Accordingly, if we determine in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and products or services provided by such broker-dealer, our clients may pay commissions to such broker-dealer in an amount greater than the amount another broker-dealer might charge.

In addition to the foregoing, in respect of the Hedge Funds, Raine may receive consulting assistance services from one or more prime brokers, including, but not limited to, consulting assistance with best practices, compliance, recruiting of talent, design and build, real estate, facilities management technology, technology, infrastructure, operational processes, capital raising and third-party service providers. Any such consulting assistance services would be in complement to, and not in place of, Raine's independent professional advisors and service providers. The benefits provided to Raine by receipt of the consulting assistance services are expected to assist Raine, either directly or indirectly, in the provision of efficient investment management services to the Hedge Funds and to other third parties. In addition, from time to time, the personnel of Raine may speak at conferences and programs for, or meet with, potential investors interested in investing in hedge funds which are sponsored by one or more prime brokers. Through such "capital introduction" events, prospective investors in the Hedge Funds have the opportunity to meet with the employees, officers and representatives of Raine. Neither Raine nor the Hedge Funds will compensate any prime broker for organizing such events or for investments ultimately made by prospective investors attending such events. However, such events and other services (including, without limitation, capital introduction services) provided by a prime broker may influence Raine in deciding whether to use the prime broker in connection with brokerage, financing and other activities of the Hedge Funds. The receipt by Raine of such consulting assistance services and capital introduction services from a prime broker may give rise to an actual or potential conflict of interest. Raine will manage any such actual or potential conflict of interest appropriately and will not allocate business or effect transactions on behalf of the Hedge Funds with any prime broker where to do so would conflict with Raine's duties to the Hedge Funds. Furthermore, Raine may place client portfolio transactions with firms that have made such recommendations or provided capital introduction opportunities, if Raine determines that it is otherwise consistent with seeking best execution. In no event will Raine select a broker-dealer as a means of remuneration for recommending Raine or any other product managed by Raine (or an affiliate) or affording Raine with the opportunity to participate in capital introduction programs.

Item 12.A.1 – Research and Other Soft Dollar Benefits

The term "soft dollars" refers to brokerage commissions generated from client securities transactions that are retained by the broker-dealer for the use of the investment manager that directed the transactions to the broker-dealer. Section 28(e) of the Exchange Act provides a "safe harbor" to those investment managers that use soft dollars to obtain investment research and brokerage services. In order to qualify for the safe harbor, the investment research must provide assistance to the investment manager in its performance of its investment decision-making responsibilities. Brokerage services must relate to the execution, clearance and settlement of securities transactions in order to fall within the safe harbor.

We intend to use soft dollars generated by our clients' securities transactions to pay for research, products and services that fall within the Section 28(e) safe harbor. Such services may include, among other things, the provision of information on economic trends or conditions, political developments, industries, groups of securities, individual countries, and individual companies, as well as post-trade brokerage services or communication services related to the execution, clearing, and settlement of transactions. Such soft dollar arrangements will typically be made with respect to the Hedge Funds rather than the Private Equity Funds. However, we will from time to time use research and brokerage services obtained by the use

of commissions arising from one of our client's portfolio transactions in our other investment activities, including, for the benefit of our other client accounts. To the extent applicable, we do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

We may enter into "client commission arrangements" pursuant to which we may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to us. Our clients may also pay for research services directly, rather than through commissions arising from the client's investment transactions.

When we use soft dollars, our clients may pay commissions, spreads or mark-ups to a broker-dealer in an amount greater than the amount another broker-dealer charges if we determine, in good faith, that the amount of commissions, spreads or mark-ups charged by such broker-dealer is reasonable in relation to the value of brokerage and research products or services provided by such broker-dealer.

The availability of soft dollars from certain broker-dealers presents us with conflicts of interest and may give us incentives to that do not align with our obligations to our clients (including, without limitation, our best execution obligations) when directing orders to broker-dealers. The receipt of information, products or services paid for with soft dollars is in addition to, and not in lieu of, the management fees and performance-based fees received by us and/or our affiliates, and such fees are not reduced as a consequence of the receipt of such products or services purchased with soft dollars.

In order to manage conflicts related to soft dollar usage, as required by Section 28(e) of the Exchange Act, we review and evaluate our soft dollar practices in order to determine, in good faith, whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services are reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination is viewed in terms of either the specific transaction or our overall responsibilities to the accounts or portfolios over which we exercise investment discretion. In addition, as mentioned above, soft dollar arrangements are only entered into for services and products that qualify under the "safe harbor" provisions set forth in Section 28(e) of the Exchange Act.

In some instances, we may obtain a product or service that is used, in part, for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, we will make a good faith effort to determine the relative proportion of the product or service used to assist us in carrying out our investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on an evaluation of the research and non-research uses of the product. The proportion of the product or service attributable to assisting us in carrying out our investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by us from our own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between us and our clients.

Item 12.A.2 – Brokerage for Client Referrals

We do not consider whether we, or a related person, receive client referrals from a broker-dealer or a third-party when selecting or recommending broker-dealers. However, from time to time, the personnel of Raine may speak at conferences and programs for, or meet with, potential investors interested in investing in hedge funds which are sponsored by one or more prime brokers. Through such "capital introduction" events, prospective investors in the Hedge Funds have the opportunity to meet with the employees, officers and representatives of Raine. Neither Raine nor the Hedge Funds will compensate any prime broker for organizing such events or for investments ultimately made by prospective investors attending such events. However, such events and other services (including, without limitation, capital introduction services)

provided by a prime broker may influence Raine in deciding whether to use the prime broker in connection with brokerage, financing and other activities of the Hedge Funds. The receipt by Raine of such capital introduction services from a prime broker may give rise to an actual or potential conflict of interest. Raine will manage any such actual or potential conflict of interest appropriately and will not allocate business or effect transactions on behalf of the Hedge Funds with any prime broker where to do so would conflict with Raine's duties to the Hedge Funds. In particular, Raine may only place client portfolio transactions with broker-dealers which have provided such capital introduction opportunities if Raine determines in good faith that it is otherwise consistent with seeking best execution. In no event will Raine select a broker-dealer as a means of remuneration for recommending Raine or any other product managed by Raine (or an affiliate) or affording Raine with the opportunity to participate in capital introduction programs.

Item 12.A.3 – Directed Brokerage

We do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

Item 12.B – Aggregation of Orders of Securities for Client Accounts

Given the differing nature of the investments made by the Private Equity Funds and the Hedge Funds, we do not routinely aggregate the purchase or sale of securities for various client accounts. However, when two or more Raine investment vehicles conduct trading through a broker-dealer, we will seek to aggregate orders whenever practicable, cost-efficient and in the best interest of each Raine investment vehicle.

ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A – Periodic Review of Client Accounts

Private Equity Funds

With respect to investments made by the Private Equity Funds, our investment professionals and financial operations professionals periodically review the investment portfolios of the Raine investment vehicles. In addition, senior investment professionals typically maintain an ongoing oversight position in portfolio companies (particularly the portfolio companies of the Raine Growth Funds). These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company. Each portfolio company provides us with regular reports regarding its financial status and performance, except in the rare instances where our quantum of control is immaterial, in which case we receive public information. The investment committee of the Raine Growth Funds receives an in depth review on the performance and strategic direction of each portfolio company on at least a quarterly basis, and are otherwise updated on an as-needed basis by the relevant investment professionals. The investment committee of the Raine Venture Funds is updated on an as-needed basis by the relevant investment professionals.

Hedge Funds

With respect to investments made by the Hedge Funds, the portfolio manager actively manages the Hedge Funds' investment portfolios and reviews trading data on a continuous basis to determine whether securities positions should be maintained in view of current market conditions. In addition, the portfolio manager and other senior members of the Raine team meet regularly to discuss investment themes and the positioning of the portfolio. The portfolio manager and financial operations professionals also conduct daily risk reviews of set portfolio parameters that have been established (including gross and net exposure limits,

single name limits and subsector exposure limits), with intra-day operational controls and enforcements of these limits.

Item 13.B – Factors that Trigger a Review of Client Accounts

Our investment professionals and financial operations professionals periodically review the investment portfolios of the Raine investment vehicles. In respect of the Hedge Funds, the portfolio manager and financial operations professionals rely, in part, on the portfolio parameters that have been established (including gross and net exposure limits, single name limits and subsector exposure limits) to determine when a further portfolio review is necessary. Other than the foregoing, there are no specific triggers to launch a portfolio review.

Item 13.C – Reports to Clients

The nature and frequency of regular reports to investors in the Raine investment vehicles depends on the terms of the governing documents of such Raine investment vehicles.

Private Equity Funds

Typically, investors in the Raine PE Funds are provided with written quarterly unaudited financial reports, annual audited financial statements and relevant tax reports. If an annual investor meeting for one of the Raine PE Funds is held, all investors in the relevant fund will be invited. Typically, investors in the Raine co-investment vehicles are provided with annual audited financial statements and relevant tax reports. Investors that participate in co-investments may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the applicable Raine PE Fund since they are making a decision to invest in that particular investment opportunity.

Hedge Funds

Typically, investors in the Hedge Funds are provided with written monthly unaudited performance reports, annual audited financial statements and relevant tax reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A – Client Referrals

Although as a general matter we do not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the Raine investment vehicles, we may, on occasion, receive directors' fees, monitoring fees or similar fees, or reimbursements of certain expenses, from portfolio companies. To address this potential conflict, a certain portion of these fees generally offset the management fees paid by our clients (Raine clients that do not pay management fees do not receive the benefit of the offset), and are disclosed in the relevant offering and/or governing documents of the applicable Raine investment vehicle.

In addition, as noted above in response to Item 10, the Raine broker-dealer and its affiliates may receive placement fees and other compensation and expense reimbursements from participating in underwriting syndicates and/or selling groups in relation to securities issued by portfolio companies of the Raine investment vehicles and engaging in other transactions and providing other services in respect of such portfolio companies, including services relating to transactions or offerings that are not ultimately pursued or consummated. Such compensation is generally not shared with the relevant Raine investment

vehicle through a management fee offset or otherwise. In addition, we and our related persons may, in certain instances, receive discounts on products and services sold by portfolio companies held by the Raine investment vehicles.

Item 14.B – Compensation for Client Referrals

Raine or its affiliates have in the past entered, and may in the future enter, into arrangements in which third parties will refer investors to one or more Raine investment vehicles in exchange for a fee. The fee paid to a third-party that introduces investors to the Raine investment vehicles is typically calculated as a percentage of the amount of capital these investors invest in the Raine investment vehicles, as specifically negotiated between us and such third-party. These fees are borne exclusively by us or our affiliates and are not borne by the affected investors or Raine investment vehicles (note that we may cause such fees to be paid by a Raine investment vehicle and specially allocated to the affected investors and then offset such investors' management fees by equal amounts). These relationships will affect the independence of such third-party in connection with its recommendations of a particular investment program. These types of arrangements are disclosed to affected investors before such investors make an investment in the relevant Raine investment vehicle. In addition, as stated in Item 12, we may and have in the past entered into capital introduction agreements with certain financial institutions under which such financial institutions do not receive any type of compensation for the capital introduction services they provide under these agreements.

ITEM 15 – CUSTODY

Raine or its affiliates are deemed to have custody of client assets by virtue of their status as General Partner or Managing Member to the Raine clients. Raine and its affiliates comply with the custody requirements applicable to registered investment advisers pursuant to Advisers Act Rule 206(4)-2. We will not take or maintain physical custody of any client funds or securities, except as permitted under the Advisers Act and SEC guidance, and generally will custody client assets with independent "qualified custodians." Our clients' custodians will generally be banks, trust companies or broker-dealers unaffiliated with us. An exemption from the qualified custodian requirement exists with respect to securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

For those clients for which we are deemed to have custody of client assets within the meaning of the Advisers Act, either (1) such clients (and, where applicable, their investors) receive audited financial statements from us within the period of time required by Rule 206(4)-2 under the Advisers Act (in which case, investors in such clients are not entitled to receive quarterly account statements directly from such clients' qualified custodians) or (2) an independent public accountant conducts an annual surprise examination of such clients' assets and Raine ensures that investors in such clients receive quarterly account statements directly from each such client's qualified custodian.

ITEM 16 – INVESTMENT DISCRETION

We generally have discretionary authority based on the investment advisory agreements with, and the governing agreements of, the Raine investment vehicles, to buy and sell securities or other investments on their behalf, including, without limitation, to determine the amount of such investments to be bought and sold, subject to such restrictions that may be imposed in the applicable governing agreements for each Raine investment vehicle. These terms may restrict our advice concerning investments in certain securities or geographies, concentration limits or leverage, among others. In addition, as noted under Item 4.C, Raine

and its affiliates have entered (and may in the future enter) into agreements, or “side letters,” with investors whereby such investors may have certain rights, including the right to opt-out of particular investments.

ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A – Authority to Vote Client Securities

Raine has authority to vote client securities. Raine has adopted and implemented policies and procedures reasonably designed to ensure that public company proxies as well as portfolio company solicitations received by Raine on behalf of a client (together, “proxies”) are voted in the best interests of its clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting.

Raine will vote proxies in the best interests of the relevant client. Prior to voting a proxy addressed to a Raine investment vehicle, typically a member of Raine’s internal legal team or the Chief Compliance Officer will discuss the proxy (which may be in person, by telephone or by email) with the Raine investment professionals with knowledge of the relevant portfolio company. Such individuals, in conjunction with Raine’s legal team or the Chief Compliance Officer, will review the proxy to determine (among other things) if there are any conflicts of interest. If a conflict is identified, such individuals (together with the Chief Operating Officer) will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the proxy will be voted in accordance with the best interest of the relevant Raine investment vehicle.

If a material conflict is identified, such individuals will determine what course of action is in the best interests of the affected Raine investment vehicle (which may include (a) utilizing an independent third-party to vote such proxies, (b) disclosing the conflict of interest to the applicable Raine client and obtaining its consent prior to voting or (c) such other method as is deemed appropriate under the circumstances). With respect to a Raine PE Fund, Raine will determine whether it is appropriate to disclose the conflict to the limited partner advisory committee of the relevant Raine PE Fund. Raine may ask the limited partner advisory committee for advice regarding how to deal with the conflict. The Hedge Funds may, in the future, establish limited partner advisory committees for a similar purpose.

Investors in the Raine investment vehicles do not have the ability to direct proxy votes. Investors may obtain additional information regarding how Raine voted proxies and may obtain a copy of Raine’s proxy voting policies and procedures by contacting the Chief Compliance Officer at (212) 603-5500 or legal@raine.com.

Item 17.B – Lack of Authority to Vote Client Securities

Not applicable.

ITEM 18 – FINANCIAL INFORMATION

Item 18.A – Balance Sheet

Not applicable.

Item 18.B – Financial Conditions Likely to Impair Contractual Commitments

Not applicable.

Item 18.C – Bankruptcy Petitions

Not applicable.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Raine is not registering, nor is it currently registered, as an investment adviser with any state securities authorities.

