

Item 1. Cover Page

Brochure of
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This brochure provides information about the qualifications and business practices of Valiant Capital Management, L.P. If you have any questions about the contents of this brochure, please contact us at (415) 659-7201. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Valiant Capital Management, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure, dated December 13, 2019 (the “Brochure”), serves as an update to Valiant Capital Management, L.P.’s brochure dated March 29, 2019 (the “Prior Brochure”). This Brochure contains updates to reflect the addition of Valiant Peregrine Management, L.L.C. as a relying adviser. In connection with this change, this Brochure contains updates to the Prior Brochure, including, but not limited to: (i) additional disclosure regarding the advisory business, (ii) additional information on fees and expenses, (iii) additional information on types of clients, (iv) additional disclosure on the methods of analysis, investment strategies and risk of loss, (v) additional disclosure regarding conflicts of interest and (vi) additional disclosure regarding review of accounts. This Brochure also updates its disclosure on brokerage practices and client referrals and other compensation.

Item 3. Table of Contents

	Page
Item 1. Cover Page	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-By-Side Management	12
Item 7. Types of Clients	12
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	12
Item 9. Disciplinary Information	23
Item 10. Other Financial Industry Activities and Affiliations	23
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	23
Item 12. Brokerage Practices	46
Item 13. Review of Accounts	49
Item 14. Client Referrals and Other Compensation	49
Item 15. Custody	49
Item 16. Investment Discretion	50
Item 17. Voting Client Securities	50
Item 18. Financial Information	50
Item 19. Requirements for State-Registered Advisers	50
Privacy Policy	51

Item 4. Advisory Business

For purposes of this brochure, unless otherwise noted, the “Advisers” mean (i) Valiant Capital Management, L.P. (“VCM”) and (ii) Valiant Peregrine Management, L.L.C. (“VPM”). VCM is a Delaware limited partnership that has been in business since 2008. VCM’s President, controlling owner and portfolio manager is Christopher R. Hansen. VPM is a Delaware limited liability company and has been in business since 2019. VPM’s controlling owners and portfolio managers are Christopher R. Hansen and Daniel Karubian.

Each Adviser operates its business as follows:

(1) Although VCM may manage additional client accounts in the future, currently it serves as the investment adviser to the following funds:

- **Core Funds.** VCM serves as investment adviser to two investment funds that have substantially the same investment strategy: Valiant Capital Partners, L.P., a Delaware limited partnership (the “Core U.S. Fund”), and Valiant Capital Master Fund, L.P., a Cayman Islands exempted limited partnership (the “Core Master Fund”), whose primary, unaffiliated limited partner is Valiant Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the “Core Offshore Feeder”). .
- **India Funds.** VCM serves as investment adviser to Valiant India Opportunities Master Fund, L.P., a Cayman Islands exempted limited partnership (the “India Master Fund,” and with the Core Master Fund, the “Master Funds”). The India Master Fund has two “feeder” funds, Valiant India Opportunities Fund, L.P., a Delaware limited partnership (the “India U.S. Fund,” and with the Core U.S. Fund, the “U.S. Funds”), and Valiant India Opportunities Offshore, L.P., a Cayman Islands exempted limited partnership (the “India Offshore Feeder,” and with the Core Offshore Feeder, the “Offshore Feeders”).
- **Employee Fund.** VCM also manages Valiant Employee Investment Fund, LLC, a fund created for employee investments that VCM determines are not appropriate for the Core Funds and the India Funds.

Each U.S. Fund is available only to “qualified purchasers” so that it can be excluded from the definition of an “investment company” (a so-called mutual fund) under section 3(c)(7) of the Investment Company Act of 1940, as amended (the “ICA”). The U.S. Fund may admit more than 100 investors under that exclusion.

Each Offshore Feeder is available for investment by non-U.S. investors and U.S. tax-exempt investors that are “qualified purchasers” so that it also can be excluded from the definition of an “investment company” under section 3(c)(7) of the ICA.

A “VCM Fund” or the “VCM Funds” mean the U.S. Funds and any or all of the Offshore Feeders and the Master Funds, as the case may be.

Although the Core Funds have substantially the same investment strategy, their performance is expected to differ over time due principally to tax related differences in trading, the different timing of subscriptions to and redemptions or withdrawals from each VCM Fund, and various legal or regulatory restrictions or expenses that may apply to one or more of the VCM Funds. Likewise, while the India U.S. Fund and the India Offshore Feeder have substantially the same investment strategy and both invest through the India Master Fund, their performance is expected to differ over time due principally to the different timing of subscriptions to and withdrawals from each VCM Fund.

VCM invests on behalf of the VCM Funds in securities consisting principally, but not solely, of equity and equity-related securities that are traded publicly and privately in U.S. and non U.S. markets, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the VCM Funds' governing documents.

As of September 30, 2019, the Advisers had regulatory assets under management of approximately \$2,866,600,043. VCM only manages assets on a discretionary basis.

(2) Although VPM may manage additional client accounts in the future, currently it serves as the investment adviser to Valiant Peregrine Fund, L.P. (the "Peregrine Fund").

The Peregrine Fund is available for investment by investors that are "qualified purchasers" so that it also can be excluded from the definition of an "investment company" under section 3(c)(7) of the ICA.

VPM invests on behalf of the Peregrine Fund in equity and equity-oriented securities of privately held companies in the technology, consumer and services sectors, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the Peregrine Fund's governing documents.

References in this Part 2A to a "Fund" or the "Funds" mean the VCM Funds and the Peregrine Fund.

Fund investors have no opportunity to select or evaluate any Fund investments or strategies. The Advisers select all Fund investments and strategies.

Item 5. Fees and Compensation

Fees and Allocations. The Advisers' clients (the Funds) are qualified purchasers as defined in section 2(a)(51)(A) of the ICA. Therefore, information on how the Advisers are compensated for their advisory services and their fee schedules are not included here.

The Advisers' compensation is negotiable and varies but is set forth generally in each Fund's confidential offering circular or private offering memorandum.

The Advisers deduct management fees directly from the Core U.S. Fund and the Master Funds, on the first day of each quarter and management allocations at the end of each quarter. Offshore Feeder investors pay fees and allocations indirectly, through the Offshore Feeder's investment in the Master Fund. In respect to the Peregrine Fund, the management fee is payable quarterly in

advance. Performance allocations and carried interest distributions are also deducted directly from the Funds, at the end of a fiscal year and on redemptions or distributions, with respect to performance allocations, and on distributions, with respect to carried interest distributions.

With respect to the VCM Funds, if a VCM Fund terminates or an investor withdraws or redeems, the investor bears expenses, the pro rata portion of the management fee, management allocations and performance allocations through the date of termination or withdrawal/redemption, except that if an investor withdraws or redeems from a Fund on a date other than the last day of a quarter, the Funds do not refund to that investor any management fee that it previously paid. In regards to the Peregrine Fund, if the management fee ceases to be payable at any time during any quarterly period, any amount paid in advance by the Peregrine Fund but not earned (based on daily proration) will be returned to the Peregrine Fund.

The Advisers may provide certain investors special fee and allocation arrangements that it does not provide to other investors. In particular, some investors may have the opportunity to invest in certain illiquid or “side pocket” investments with a lower fee structure than that of a typical investment in the Funds. The Advisers may waive all or any portion of the management fees, management allocations or performance allocations with respect to any investor.

Performance allocations and carried interest distributions may create an incentive for the Advisers to make more risky and speculative investments than it would otherwise make.

Other Fees.

Fees Payable by the Portfolio Companies

In addition to management fees and performance allocations, the Advisers and their affiliates receive a variety of other fees relating to the investment activities of a Fund and its portfolio companies including transaction fees, director fees, financial advisory fees, organization and financing fees, operational fees, commitment fees, break-up and topping fees, divestment fees, termination fees, project fees and/or other types of management consulting and other similar operational and financial matters and/or other fees and annual retainers from, or with respect to, the portfolio companies (collectively with the other fees described in this section, “Other Fees”).

The amount and timing of Other Fees received by the Advisers or their affiliates are generally specified in the agreement or other documentation governing the applicable transaction. Generally, under the terms of the applicable governing documents, for purposes of calculating any management fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Advisers in connection with consummated or unconsummated transactions or in connection with generating any such fees. Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although Other Fees are in addition to the management fees, the Advisers will in some circumstances reduce the amount of management fees paid by the applicable Fund in connection with the receipt of such Other Fees in accordance with the management agreement and/or governing documents of the applicable Fund.

The payment of Other Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Advisers and their affiliates, and the Funds and their investors because the amounts of these Other Fees and reimbursements (see “*Expense Reimbursement*” below) are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Advisers determine the amount of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements often will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

Such Other Fees may be disclosed to limited partners as part of a Fund’s regular financial and tax reporting. From time to time, the Advisers will, in their discretion, disclose to an investor the amount of Other Fees allocated to the Fund in which such investor has invested in financial reports or other similar periodic reports delivered to investors.

In addition, the Advisers or their personnel, on behalf of Advisers, may receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company. To the extent fees in the form of stock are subject to offset, they will reduce the Management Fee paid by the Peregrine Fund. In the event of such a distribution or receipt of stock, the recipients, or Advisers, with respect to stock received as an Other Fee, may act in their own interest with respect to the share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or the Advisers, shall determine. The ability of such recipients, or the Advisers, with respect to stock received as an Other Fee, to act in their own interest with respect to such distributed shares creates a conflict of interest between the Advisers, as an adviser to the Funds and its personnel, on the one hand, and the Funds, on the other hand.

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

To the extent an Other Fee relates to more than one Fund, the Advisers shall allocate the resulting management fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company as described in the applicable fund governing agreements. Generally, the portion of Other Fees allocable to capital invested by a Fund, co-investment vehicle or third-party investor that does not pay management fees will be retained by the Advisers and such amounts will not offset any management fee.

Payments Made to Third Parties

The Advisers and their affiliates also engage and retain “venture partners,” “entrepreneurs-in-residence,” “executives-in-residence,” “consultants,” “contractors” and “advisers” (as those terms are generally understood in the venture capital industry) and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such

circumstances, the amounts of such fees or other compensation received by such persons will not be deemed paid to or received by the Advisers and their affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors.

Expense Reimbursement

Additionally, a portfolio company will typically reimburse the Advisers for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Advisers in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable governing documents, and such reimbursements do not reduce the management fee. As used throughout this brochure, “travel” and “travel-related” expenses shall be deemed to include, without limitation, commercial and non-commercial transportation costs (including chartered, private plane, first class or business class travel and private car travel), lodging and accommodations.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Advisers, are reimbursed by a Fund and/or its portfolio companies, the Advisers may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Expenses.

Adviser Expenses

To the extent provided in the governing documents of the Funds, the Advisers bear their own operating, general, administrative and overhead costs and expenses, other than the expenses described below.

Fund Expenses

Each Fund is responsible for its own costs and expenses (except for those expenses borne by the Advisers to the extent set forth above), including without limitation, all trading costs and expenses (for example, brokerage commissions, expenses related to short sales, and clearing and settlement charges); the purchase, holding or sale or exchange or other disposition of securities, including reasonable private placement and finder’s fees in contemplation of an investment by the Funds paid to persons other than the general partners or members of the general partners or any of their affiliates; real property or personal property taxes on investments; brokerage, sale, and depository (including a depository appointed pursuant to the European Union Directive on Alternative Investment Fund Managers fees; taxes applicable to the Funds on account of its operations; fees

incurred in connection with the maintenance of bank or custodian accounts; legal, audit, and other expenses incurred in connection with the registration of the Funds' portfolio securities under the Securities Act of 1933 ("1933 Act"); legal and accounting fees and expenses incurred in connection with the purchase or sale or exchange or other disposition of securities (whether or not such purchase, sale or exchange or other disposition is ultimately consummated); expenses of loan servicers and other service providers; costs of third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), "operating partners", "senior advisors" and "executives-in-residence"; expenses related to attending trade association meetings, conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated); risk management assessment expenses, fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment or to otherwise facilitate the Funds' investment activities; and fees and expenses of investment advisers and independent consultants incurred in investigating and evaluating investment opportunities. The Funds shall also bear the fees of the independent certified public accountant incurred in connection with the annual audit of the Funds' books and the preparation of the Funds' annual tax return, costs of third-party valuation agents for valuations and independent appraisers, legal expenses of the Funds, accounting expenses paid to third parties for the maintenance of the Funds' books and records and preparation of reports (including any related internal costs that the general partners may incur to produce any such books and records or external costs for a third-party administrator, or in the case of the Core Offshore Feeders, the directors, to maintain and oversee the Funds' books and records); research and other information (including research costs allocated by the internal research team and third-party groups, and including data and information service subscriptions, related systems and services from data providers and data management software), third-party diligence software and service providers, subject and industry-matter experts; information technology system expenses (including the costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of the Funds, its limited partners, or a portfolio investment or potential investment); bridge financing expenses (which may be payable to another fund co-investing in the bridge transaction or to the Advisers, the general partners or an affiliate, in each case being the entity providing the bridge financing to the Funds), financing, commitment, origination and similar fees and expenses; all premiums associated with insurance, if any, to insure against any claims that could be made directly against the Funds, the general partners, the Advisers or any indemnified persons or that could give rise to a Funds liability (the purchase of such insurance, if any, shall be at the discretion of the general partners), preparation and other expenses associated with annual and other reports to the Partners; interest; extraordinary expenses; expenses associated with the Funds' compliance with applicable laws and regulations, including regulatory filings as they relate to the Funds' activities, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of the Funds, the general partners or the Advisers that are attributable to the operation of the Funds or requested by one or more limited partners in the Funds; expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions; the costs associated with any amendments, modification, revisions or restatements to the governing documents of the Funds; costs associated with any Funds information meetings, expenses of the advisory committee meetings and reimbursement of reasonable out-of-pocket costs for the advisory committee members and the general partners to attend such meetings (including

set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related and other expenses); the Funds' allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, including legal expenses incurred in connection with claims or disputes related to unconsummated investments including expenses that would have been borne by co-investment vehicles; and all expenses that are not normal administrative and overhead expenses as set forth above, including all legal fees and expenses incurred in prosecuting or defending administrative or legal proceedings relating to the Funds brought by or against the Funds, the Advisers or the general partners, or the members, partners, employees or agents or former members, partners, employees or agents of any of the foregoing, including all costs and expenses arising out of or resulting from the Funds' indemnification and fees and expenses for the attorneys for the general partners, the Advisers and their controlling owners.

Securities brokerage firms and futures commission merchants that execute Fund securities and commodities trades, however, may pay all or part of these costs and expenses, as discussed in Item 12 below.

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

Co-Investment Vehicle Expenses

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

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") may therefore be borne by the Fund or Funds selected by the Advisers as proposed investors for such proposed transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), some or all of the Dead Deal Costs may be borne solely by the Fund or Funds selected by the Advisers as proposed investors for such proposed transaction, but not to the co-investment vehicle or other co-investor(s) to which the co-investment opportunity was offered. Similarly, co-investment vehicles (and co-investors) are not typically allocated any

share of break-up fees received in connection with such an unconsummated transaction. Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to Operations Support Partners (as defined in Item 11 below) and other third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees,, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

Allocation of Expenses

From time to time the Advisers will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Advisers on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds or Advisers and/or other parties. Certain expenses may be the obligation of one particular Fund and will be borne by such Fund or, expenses may be allocated among multiple Funds and entities. In exercising their discretion to allocate investment opportunities and fees and expenses, the Advisers are faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Advisers have an incentive to allocate investment opportunities to the Funds from which the Advisers or their related persons derive, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

To the extent not allocated to a portfolio company, the Advisers will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's governing documents.

The appropriate allocation between Funds any affiliated investors or third parties of Dead Deal Costs will be determined by the Advisers and their affiliates in their good faith discretion, consistent with the governing documents of the Funds, as applicable. If multiple Funds evaluate a potential investment that is not consummated, the Advisers generally allocate fees and expenses generated in the course of evaluating such investment among such Funds in the manner set forth in the applicable governing agreements, which may be based on the anticipated investment of each Fund. Such expenses typically are not allocated to co-investment vehicles. There may be occasions when one Fund (the "Payor Fund") pays an expense common to multiple funds (the "Allocated Funds") (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

With respect to allocating other expenses among Fund(s), adviser investors and/or co-investors (including third parties), as appropriate, the Advisers will make any such allocation determination on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Advisers will make any corrective allocations and take any mitigating steps

if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

The Advisers, from time to time, enter into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees. Any fees and expenses associated with such investment opportunities will be allocated to the applicable Fund(s), consistent with the allocation process described above and as set forth in the applicable fund governing agreements.

Performance-Based Compensation

Please see Item 6 below regarding performance-based fees that the Funds pay.

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

The Advisers currently manage only the Funds, which pay performance-based compensation, provided that VCM also manages Valiant Employee Investment Fund, LLC, which, as VCM's employee-focused fund, pays no management fees or performance-based compensation. The Advisers do not manage client accounts that do not pay performance-based compensation.

Item 7. Types of Clients

VCM currently provides investment advisory services to the VCM Funds, which are investment funds. VPM currently provides investment advisory services to the Peregrine Fund. Investment advice is provided directly to the applicable Funds, subject to the direction and control of the general partner of such Fund, and not individually to the limited partners of such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the 1933 Act and the Advisers Act. Investors in the Funds are generally "qualified purchasers" as defined in the Advisers Act, and may include, among others, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited funds and limited liability companies or other entities.

Investors in the VCM Funds generally are required to invest a minimum of \$10,000,000, but VCM (or, in the case of the Core Offshore Feeder, the directors) may waive this minimum. Investors in the Peregrine Fund generally are required to invest a minimum of \$5,000,000, but the general partner may waive this minimum.

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

Methods of Analysis and Investment Strategies

Core Fund Investment Strategy

Investment Objective. The Core Funds invest in and trade securities consisting principally, but not solely, of equity and equity-related securities that are traded publicly and privately in U.S. and non-U.S. markets. VCM invests a portion of the Core Funds' assets in illiquid securities, which

generally are restricted securities of public and private companies. The Core Funds also invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. currencies, futures, options on futures, other commodity interests and money market instruments. The Core Funds also engage in short- selling, margin trading, hedging and other investment strategies.

The Core Funds' investment objective is to generate superior risk-adjusted returns by employing a flexible mandate that allows the VCM to search the world for the best investment opportunities. While VCM plans to dedicate the majority of its efforts to publicly traded equities, the Core Funds may invest across the capital structure as compelling opportunities present themselves – both long and short. This investment strategy is likely to result in a fairly high degree of volatility and risk.

Investment Philosophy and Strategy. VCM's investment philosophy for the Core Funds can be briefly summarized as follows:

- Invest in great businesses run by great managers.
- Research extensively, focusing on gaining variant perception.
- Pay reasonable valuations and invest for the long term.
- Be patient and opportunistic; focus on best ideas.
- Invest and think globally.
- Invest across the capital structure.
- Focus on preserving capital (although VCM does not anticipate running the Core Funds in a “market neutral” manner).

VCM does not plan to use excess leverage and often will maintain cash to be opportunistic.

India Fund Investment Strategy

Investment Objective. The investment objective of the India Master Fund is to generate superior returns by forming a concentrated collection of VCM's best ideas in India that are appropriate for a long-only structure.

VCM believes its relationships and investment experience in India, when combined with its intensive research process and long-term investment approach, will yield tangible, differentiated results in India. Further, VCM believes that India is a prime source for investment opportunities given its immense population, attractive demographics, relative early stage of development, and an equity capital market that is among the most diverse and liquid in emerging markets. Lastly, timing appears favorable given the implementation of and the expected benefit from the current pro- growth government, prudent monetary policies of a proven central bank governor against the backdrop of declining inflation as well as an inflection point in the economic cycle.

India's Long-Term Investment Opportunity. VCM believes India offers long-term investment opportunities for the following reasons:

- Favorable demographics.
- A functioning democracy with strong leadership promoting change.
- Near-term fundamentals support the long-term opportunity.

Investment Philosophy and Strategy. VCM's investment philosophy for the India Funds can be briefly summarized as follows:

- Invest in great businesses run by great managers.
- Extensive research focused on gaining variant perception.
- Pay reasonable valuations and invest for the long term.
- Be patient and opportunistic; focus on best ideas.

Peregrine Fund Investment Strategy

Investment Objective. The investment objective of the Peregrine Fund is to realize substantial long-term capital appreciation through investments primarily in high-quality private companies in the technology, consumer and services sectors.

Investment Philosophy and Strategy. VPM's investment philosophy for the Peregrine Fund can be briefly summarized as follows:

- Invest in great businesses run by great managers.
- Take advantage of an expanding supply of high-quality private companies and significant market inefficiencies.
- Pay reasonable valuations and invest for the long term.

All Strategies

The investment strategies summarized above represent Advisers' current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities or commodities in which the Advisers may take positions on behalf of the Funds, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. The Advisers may use any trading or investment techniques, whether or not contemplated by the expected investment strategy described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, the Advisers may pursue any objectives or use any techniques that it considers appropriate and in Funds' interests.

Risk Factors

Investing in securities and commodities involves risk of loss that investors should be prepared to bear. Below are brief summaries of some of the risks that investors should consider before investing in a Fund. Any or all of such risks could materially and adversely affect investment performance, the value of a Fund or any security or commodity held by a Fund, and could cause investors to lose substantial amounts of money. Potential Fund investors should review the Fund's offering circular or private offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. A potential investor should discuss with the applicable Adviser's representatives any questions that such person may have before investing in a Fund.

Risks Associated with the Funds' Investment Strategies

- The Funds may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investments.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is unpredictable and can adversely affect a Fund's investments.
- A Fund may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- The Advisers may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. The Advisers also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a Fund when the Fund could make a profit or avoid losses.
- The Advisers may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- The Advisers may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the

hedging instrument. The Advisers are not obligated to hedge a Fund's portfolio positions, and it frequently may not do so.

- The Funds may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- The Advisers sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to deter short sales of the issuer's securities. The Advisers could be subject to such actions, even if they are baseless, and a Fund could incur substantial costs defending them.
- To make a short sale, a Fund must borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets.
- Special rules, which differ from jurisdiction to jurisdiction, apply to short sales. For example, temporary or permanent governmental orders may from time to time prevent the Funds from executing short sales of these securities at the most desirable time.
- If the prices of securities sold short increase, a Fund may need to provide additional funds or collateral to maintain the short positions. This could require the Fund to liquidate other investments to provide additional collateral. Such liquidations might not be at favorable prices.
- The Advisers may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- The Advisers may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- The Funds may invest in fixed income securities that are subject to interest rate risk, inflation rate risk, limited liquidity risk and other risks.
- The Advisers may cause a Fund to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- The Advisers may cause Funds to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes;

limited information about the issuer; limited liquidity; and limited regulatory oversight. In addition, a Fund may focus its investment activities on portfolio companies with substantial operations in non-U.S. jurisdictions. Investments in these non-U.S. portfolio companies may present a variety of risks not presented by investments in United States portfolio companies. As a result, such a Fund may face a variety of challenges that may not have been identified at the time of the Fund's formation and disclosure of known risks will necessarily be incomplete. Nevertheless, a variety of risks not presented by funds focused on United States portfolio companies are briefly explored below, including risks associated with: (i) political, social or economic instability; (ii) unusual and evolving regulatory and legal environments; (iii) different taxation regimes; (iv) different accounting standards; (v) risks associated with local securities exchanges and exiting investments; and (vi) currency and inflation risks. In general terms, the investment climate in many countries in which a Fund expects to invest is less mature than in the United States. Prospective investors should consider an investment in the Funds only if they have independently determined based upon their own analysis that the risks and challenges of investing in non-U.S. portfolio companies are outweighed by the potential benefits.

- The Peregrine Fund invests a significant portion of its clients' assets in growth stage companies, primarily in the technology, consumer and services sectors. Growth equity investments may be subject to special risks that could reduce the value of investments in such asset classes, including limited liquidity and substantial redemptions. These risks can be exacerbated by worsening economic conditions. In addition, growth equity investments may be particularly susceptible to new laws and regulations that have a disproportionate impact on certain industries. Changes in the law could cause certain investments to produce substantially lower returns or lead to significant losses with respect to the Peregrine Fund and client assets invested in such growth stage companies.
- The Peregrine Fund's investment portfolio will, to a significant extent, consist of investments in private growth companies, primarily in the technology, consumer and services spaces. The marketability and value of each such investment will depend upon many factors beyond the general partner's control. Generally, the investments made by the Peregrine Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. There may be no readily available market for the Peregrine Fund's investments, many of which will be difficult to value, and the disposal of a portfolio investment by the Peregrine Fund may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons.
- The Advisers intend to invest in securities of companies located or operating in India and other emerging markets. Such investments may present a variety of risks not presented by investments in more developed jurisdictions, including risks associated with:
 - Political, economic and social risks;

- Different accounting disclosure and regulatory standards;
 - India regulatory approvals;
 - Currency and foreign exchange risks;
 - Capital repatriation risks;
 - Investment limitations;
 - Securities regulation;
 - Limited liquidity;
 - Legal and regulatory unpredictability and delays;
 - Slow dispute resolution;
 - Difficulty enforcing foreign judgments;
 - Fiscal crisis and currency depreciation;
 - Limited shareholder rights and remedies;
 - Indian securities markets;
 - Indian pricing guidelines;
 - India-Mauritius taxation concerns; and
 - Proposed changes to the Indian tax regime and General Anti-Avoidance Rules.
- Where a Fund's investments are held or made through vehicles established in another country, for example, Mauritius (for Indian investments), the value and performance of investments and related returns may be affected by the political, economic and regulatory conditions of that country.
 - Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
 - The Advisers may acquire for a Fund a large position in an issuer's securities but the Fund nevertheless is unlikely to have any control over the issuer's management. In addition, if the Advisers hold a large position in an issuer's securities, the

Advisers' subsequent sale of all or any part of that position could depress the market for those securities.

- Some of the Funds' positions may be or become illiquid, in which case the Advisers may not be able to sell those positions.
- A Fund may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- Many private companies in which the Funds invest may be operating at a loss or with substantial variations in operating results from period to period. Any such private company may fail.
- The Funds' investments in illiquid securities and securities of companies with small or mid- sized market capitalizations may involve significant business and financial risk and can result in substantial or complete loss. Even if the securities of such companies are sold publicly, the public trading markets for those securities may be extremely volatile from day to day or from period to period.
- After a Fund makes an initial investment in a private company, that company may require additional funding, or the Fund may have the opportunity to increase its investment in a successful company (if any are successful). The Fund may not make follow-up investments. If so, the company or the Fund's investment in that company may be adversely affected.
- Because of competition for desirable investment opportunities, a Fund might not be able to participate in attractive investments that would otherwise be available to it.
- It is unlikely that distributions of profits, if any, will be generated from the operations of non-public companies
- A Fund's investments may not be diversified. To the extent a Fund concentrates its investments in a particular sector, country (for example, India), or region, its investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular country or region. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of one or a small number of funds, sectors, countries or regions in which the Fund has invested.
- A Fund may invest in other investment entities, which may cause investors to pay two levels of advisory fees and allocations.
- The Funds may invest in companies for which governmental incentives or regulations enhance such companies' products and services or suppress the

companies' competitors. In such cases, the end of governmental incentives or changes in governmental regulation may adversely affect those companies and may cause significant losses.

Fund Structure Risk

- The Advisers determine the value of securities and commodities held in Fund accounts, whether or not a public market exists for such instruments. If the Advisers' valuation is inaccurate, they might receive more compensation than that to which it is entitled, a new Fund investor might receive an interest that is worth less than the investor paid and an investor that is withdrawing or redeeming from a Fund might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- The Funds generally allocate illiquid security investments only among investors in the Funds at the time of such investments. In addition, a Fund may offer an illiquid security investment opportunity only to certain investors. As a result, investors may have highly disproportionate returns during any time period.
- The Funds and not the Advisers are responsible for any trade errors that the Advisers make in Fund accounts, even when the error hurts the Funds.
- The Advisers and their affiliates and agents generally are not responsible to any Fund investor for losses incurred in the Fund unless the conduct resulting in such loss breached the Advisers' fiduciary duty to the investor.
- There is not and will not be an active market for Fund interests. It may be impossible to transfer any such interests, even in an emergency.
- A Fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force the Advisers to liquidate investments too rapidly, and may so reduce the size of a Fund that it cannot generate returns or reduce losses.
- A Fund may limit or suspend withdrawals or redemptions of an investor's assets from the Fund.
- A Fund may establish a reserve for contingencies if the Advisers consider it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- Voluntary withdrawals of investor interests are not permitted in the Peregrine Fund. As a result, limited partners may not be able to liquidate their investments in the short-term. Furthermore, a withdrawn limited partner may not be entitled to immediate payment for its interest in the Peregrine Fund. Any withdrawal of an investor may reduce the amount of capital available for investment or other activities.

- An investment in the Peregrine Fund is a long-term commitment. Interests are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by the general partner. Furthermore, the sale or transfer of interests is subject to approval by the general partner and other restrictions contained in the Peregrine Fund's governing documents. Consequently, limited partners may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in the Peregrine Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. The Peregrine Fund's interests have not been registered under the 1933 Act, nor is any such registration contemplated.
- If the assets that the Advisers and their affiliates manage grow too large, it may adversely affect performance, because it is more difficult for the Advisers to find attractive investments as the amount of assets that it must invest increases.
- No Fund investor has been represented by separate counsel. The attorneys who represent the Advisers do not represent Fund investors. Fund investors must hire their own counsel for legal advice and representation.
- A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- The Advisers, an administrator or any government agency may freeze assets that any of them believes an investor holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of the Advisers, a Fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The Funds do not intend to make distributions but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which the Advisers do business on behalf of the Funds may default on their obligations. For example, a Fund may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- If a Fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- The Advisers and their affiliates may spend time on activities that compete with a Fund or distract them from managing a Fund without accountability to Fund investors, including investing for other clients and their own accounts. If the Advisers receive better compensation and other benefits from these activities compared to managing a Fund, it has incentive to allocate more time to those other

activities. These factors could influence the Advisers not to make investments on a Fund's behalf even if such investments would benefit the Fund, or otherwise reduce the time the Advisers or their affiliates spend managing the Funds.

- The Advisers may provide certain investors more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients. Some investors may be given the opportunity to invest in certain illiquid security investments (within the fund or through a special purpose vehicle) at a lower fee structure.
- The Core Offshore Feeder, the U.S. India Fund and the India Offshore Feeder invest through a "master-feeder" structure. The Core U.S. Fund and the Master Funds in turn may invest through other non-U.S. vehicles for regulatory or tax reasons. These structures entail risks associated with investing in any non-U.S. security. Changes in U.S. or applicable non-U.S. tax laws may adversely affect the Funds.
- A master-feeder structure presents certain unique risks to investors. For example, a fund may be materially affected by the actions of other, possibly larger, investors in the master fund. Creditors of the master may enforce claims against all assets of the master fund.

General Risks

- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that the Advisers must devote to regulatory compliance, to the detriment of investment activities.
- The Advisers are not registered with the SEC as a broker-dealer. The equity interests in the Funds are not registered under the 1933 Act, and the Funds are not registered investment companies under the ICA. The Advisers believe that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, the Advisers and the Funds could be subject to expensive and distracting legal action and potential termination. In addition, Fund investors do not have certain regulatory protection that they would have if these registrations were in place.
- The Advisers' activities could cause adverse tax consequences to investors, including liability for interest and penalties. In addition, the application of tax laws affecting performance-based fees, allocations or distributions can create incentives and affect the behavior of an Adviser and its personnel with respect to holding or disposing of Fund investments.
- The Advisers' activities may cause a Fund that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

- The Advisers and the Funds, and their service providers (including accountants, custodians, transfer agents and administrators), rely heavily on internal and third-party computer hardware and software, online services, data feeds, trading platforms, and other technology to conduct investment and trading activities. Disruptions could materially and adversely affect the Funds.
- The Advisers frequently place the trades electronically. If an electronic trading system or component fails, it may not be possible to enter new orders, execute existing orders or modify or cancel orders, and order priority may be lost.
- Although the Advisers employ various computer security measures, there can be no guarantee that it would be successful in fending off cybersecurity attacks from viruses, malware, computer hackers or other malicious corruption of its information technology systems. Any cybersecurity breach could materially and adversely affect the Funds.

The above is only a brief summary of some of the risks that a Fund investor may encounter. Before deciding to invest in a Fund, prospective investors should consider carefully all of the risk factors and other information in the Fund's offering circular or private offering memorandum.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

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

Affiliated Adviser

VPM is a relying adviser of VCM. For a description of material conflicts of interest created by the relationship among VCM and its affiliate adviser, VPM, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Advisers have adopted a Code of Ethics in compliance with Rule 204A-1 under the ICA that establishes standards of conduct for the Advisers' supervised persons. The Code of Ethics includes general requirements that the Advisers' supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things,

personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to the Advisers' Chief Compliance Officer, and requires the Chief Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Each supervised person of the Advisers receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Current and prospective investors may obtain a copy of the Advisers' Code of Ethics by contacting Michaela Beckman at (415) 659-7201.

If an Adviser and its partners, members, officers and employees personally invest in the same securities that an Adviser trades for the Funds, there is a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for the Funds to profit personally by the market effect of such transactions and recommendations. To address this conflict, the Advisers and their partners, members, officers and employees must obtain pre-approval before engaging in most securities transactions and usually will not be permitted to trade for their own accounts except to liquidate previously existing positions or to invest in mutual funds and cash equivalents. In addition, the Advisers and their partners, members, officers and employees may buy or sell specific securities through Valiant Employee Investment Fund, LLC, the Advisers' employee focused fund, or for their own accounts based on personal investment considerations aside from company or industry fundamentals, which the Advisers do not believe appropriate to buy or sell for the Funds.

Participation or Interest in Client Transactions

The Advisers and certain employees and affiliates of the Advisers will under certain circumstances invest in and alongside the Funds, either through the General Partners, as direct investors in the Fund or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the management fee and performance-based compensation related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Conflicts of Interest

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

As discussed above, VCM has an affiliated adviser, VPM, which focuses primarily on a different investment strategy, although such investment strategies overlap from time to time. In the ordinary course of conducting their activities, the interests of VCM, a VCM Fund or its limited partners will, on occasion, conflict with the interests of VPM, a VPM Fund or its limited partners.

The Advisers have in the past and may, from time to time in the future establish certain investment vehicles through which certain employees of the Advisers or their affiliates, certain business associates, other “friends of the firm,” or other persons may invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” may, in certain instances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles do not pay advisory fees and performance based fees.

Resolution of Conflicts

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

- (1) A Fund will not make an investment unless the Advisers believe that such investment is an appropriate investment considered from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the governing documents for the Funds;
- (3) Generally, each Fund has the right to establish an advisory committee, consisting of representatives of investors not affiliated with the Advisers. The advisory committees meet as required to consult with the Advisers as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Advisers will be guided by its good faith discretion;
- (4) Where the Advisers deem appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (5) The Advisers have adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest;
- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- (7) In addition, certain provisions of a Fund’s governing documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Conflicts

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

Allocation of Investment Opportunities Among Clients

Because the Advisers manage more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, the Advisers select investments for each client (namely, the Funds) based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. The Advisers may buy or sell a security or commodity for one type of client but not for another, or may buy (or sell) a security or commodity for one type of client while simultaneously selling (or buying) the same security for another type of client. The Advisers may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client. The Advisers are not obligated to acquire for any account any security or commodity that the Advisers or their partners, officers or employees may acquire for its or their own accounts or for any other client, if in the Advisers' absolute discretion, it is not practical or desirable to acquire a position in such security or commodity for that account.

For example, the India Funds expect to invest in many of the same companies held within the Core Funds' India portfolio. Investment opportunities that are determined to be appropriate for more than one strategy may generally be allocated among them pro rata, but the Advisers may determine to allocate them other than on such a proportionate basis after taking into account, among other considerations: (a) exposure targets of each account; (b) the amount of an account's available capital; (c) the need to ramp up or rebalance an account's portfolio; (d) whether the investment would create undesirable or adverse tax consequences for an account; (e) an account's liquidity terms; (f) the investment's expected risk/return profile and time horizon; (g) the timing for consummating the investment; (h) investment guidelines or regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; (i) avoiding odd lots or *de minimis* allocations; and (j) other considerations specific to an account. The foregoing considerations may result in allocations among the Funds other than on a proportionate basis or may result in an account receiving all or none of a particular investment. In addition, under certain circumstances investment opportunities may be allocated solely to the account for which the opportunity was initiated (e.g., a follow-on investment in the same or a similar security).

Allocation of Co-Investment Opportunities and Secondary Transactions

The Advisers will determine if the amount of an investment opportunity exceeds the amount the Advisers determine would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Advisers and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Advisers to be in the best interest of the applicable Fund), and any such excess

may be offered to one or more co-investors pursuant to the procedures included in such Funds' governing documents and as set forth in the following paragraphs.

Subject to any investment allocation requirements, in general, including in the applicable fund governing documents, and except as specifically agreed with an investor, (i) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Advisers or their related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Funds, in the sole discretion of the Advisers or their related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, and (iv) certain persons other than investors in the Funds (e.g., consultants, joint venture partners, persons associated with a portfolio company and other third parties), rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Advisers or their related persons, and (v) co-investors will generally purchase their interests in a portfolio company at the same time as the Funds or will, on occasion, purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not investment allocation requirements and do not require the Advisers to notify the recipients of such acknowledgements if there is a co-investment opportunity.

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

- The Advisers' evaluation of the size and financial resources of the potential co-investment party and the Advisers' perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns the Advisers have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Advisers' perception of their past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Advisers and the expected amount of negotiations required in connection with a potential co-investment party's commitment;

- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's chemistry with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The Advisers' perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Advisers' evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Advisers believe, in their sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or the Advisers and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Advisers.

The factors above are not listed in order of importance or priority and the Advisers are not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Advisers' exercise of their discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser investors and third parties, and in the manner discussed above often will not, result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Advisers may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons. While the Advisers determine how to allocate investment opportunities in good faith, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Advisers are subject, discussed herein, did not exist.

In the event the Advisers determine to offer an investment opportunity co-investors, there can be no assurance that the Advisers will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Advisers as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Advisers are not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

The Advisers or their affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund to the extent allowed and in the manner set forth in the applicable fund governing documents. Except as set forth in such agreements, any such vehicle will be established at the Advisers or their affiliates' sole discretion and the Advisers and their affiliates have no obligation to offer a similar opportunity to any other investor.

In addition, to the extent the Advisers have discretion over a secondary transfer of interests in a Fund pursuant to such Fund's governing documents, or is asked to identify potential purchasers in a secondary transfer, the Advisers will do so in its sole discretion, generally taking into account the following factors, among other things:

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

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund. Investment opportunities are, from time to time be appropriate for more than one Fund at different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of the Advisers and their affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds will be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Advisers. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Advisers in a portfolio company also raises the risk of using assets of a client of the Advisers to support positions taken by other clients of the Advisers, or that a client may remain passive in a situation in which it is entitled to vote. In addition, there may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing may be detrimental to a Fund.

The application of a Fund's governing documents and the Advisers' policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple

issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

Employees and related persons of the Advisers and their affiliates have made and may make capital investments in certain Funds, and therefore have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

From time to time the Advisers will, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Advisers will consider some or all of the factors listed above under “*Allocation of Co-Investment Opportunities and Secondary Transactions*”. The sales price for such transactions will be mutually agreed to by the Advisers and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Advisers. Although the Advisers are not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the governing documents of the applicable Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the governing documents, the Advisers may charge (or may decide not to charge) a co-investor (such as a Fund investor, an Adviser investor or third party) interest costs for the time period between the closing of the applicable Fund’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential (a) portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity and (b) full guarantee arrangements where such Funds agree to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which employees of the Advisers participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee (whether pursuant to the applicable Funds’ governing

documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Fund would be held responsible for the entire equity purchase price or reverse termination fee, or obligations, as applicable.

The Funds, from time to time, co-invest with third parties through Funds, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third party is not involved. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Fund, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Cross-Transactions

In certain cases, the Advisers will, from time to time cause a Fund to purchase investments from another Fund, or it will cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Advisers might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Advisers, their affiliates and/or their professionals (i) will, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Advisers and their affiliates generally receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Advisers will follow the investment allocation requirements of the relevant Funds (e.g., the governing documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those governing documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the investment allocation requirements, the Advisers will (i) consider their respective duties to each Fund, (ii) determine whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtain any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and their affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security

to, a client (what is commonly referred to as a “principal transaction”), the Advisers must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Advisers’ management of the Funds, the Advisers and their affiliates may engage in principal transactions. The Advisers have established certain policies and procedures to comply with the requirements of Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Management of the Funds

The Advisers manage a number of Funds that may have investment objectives similar to each other. The Advisers expect that they or their personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. The Advisers may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund are generally not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

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

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

In addition, the Advisers receive and generate various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As a result, the Advisers are better able to anticipate macroeconomic and other trends, and otherwise develop

investment strategies. The Advisers have in the past and are likely in the future enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. the Advisers have already and are likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Advisers, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Advisers may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. The Advisers have in the past and are likely in the future to utilize such information to benefit the Advisers, their affiliates or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

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

Follow-on Investments

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

Conflicts Relating to the General Partner and the Advisers

The Advisers generally may, in their discretion, contract with any related person of the Advisers (including but not limited to a portfolio company of a Fund) to perform services for the Advisers in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Advisers have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Advisers generally may, in their discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Advisers or a related person of the Advisers (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Advisers or their affiliates or a member of their personnel has a relationship or from which the Advisers or their affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Advisers,

because of their financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Advisers, their affiliates, and partners, officers, principals and employees of the Advisers and their affiliates may buy or sell securities or other instruments that the Advisers have recommended to Funds. Officers, principals and employees of the Advisers may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Advisers personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Advisers on behalf of the Fund. In such circumstances, the investing Advisers personnel will not share or reimburse the relevant Fund(s) and/or the Advisers for any expenses incurred in connection with the investment opportunity. In addition, officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. The transactions described above are subject to the policies and procedures set forth in the Advisers' Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Advisers have made large capital investments in or alongside the Funds they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Advisers generally align the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity).

Advisory Affiliates

As described in Item 10 above, VPM and VCM have their own clients. Although VPM focuses primarily on a different investment strategy than the VCM, clients of both Advisers may invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. In such circumstances, interests of VPM's clients would therefore conflict with the interests of the clients of VCM. In addition, an Adviser will under certain circumstances allocate investment opportunities away from its clients to the other Adviser's clients. There will also be conflicts of interest with respect to the allocation of fees and expenses among the Funds, the General Partners, the Advisers and their affiliates. In addition, the portfolio managers of a Fund will devote portions of their time to other investments and advisory obligations. For example, the portfolio managers of the Peregrine Fund will devote portions of their time to other investments and advisory obligations, including to the VCM Funds. The members of VPM's investment committee are personnel of VCM. Such individuals will have responsibilities to both Advisers. Some of the Funds, which include investment vehicles advised by the Advisers formed in the future, will compete with other Funds for management time or investment opportunities. See *"Allocation of Investment Opportunities Among Clients," "Management of the Funds"* and *"Conflicts Related to Purchases and Sales"* above for more information.

Fee Structure

Because there is a fixed investment period after which capital from investors in the Peregrine Fund

will only be drawn down in limited circumstances and because advisory fees are, at certain times during the life of the Peregrine Fund, based upon capital invested by the Peregrine Fund, this fee structure creates an incentive to deploy capital when the Advisers would not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to performance based fees under the terms of the governing documents of such Funds. Such General Partners are affiliates of the Advisers. The existence of the General Partners' performance based fees creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by the Advisers or their affiliates in a Fund, the clawback obligation of the General Partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Advisers' personnel.

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

Pursuant to the governing documents, the General Partner may elect to receive its performance based fees in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more General Partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such General Partner personnel associated with this form of charitable giving may have the effect of reinforcing or enhancing the General Partner's incentives otherwise resulting from the existence of its performance based fees and therefore, the General Partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

Fund Level Borrowing

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will

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

Borrowing by the Fund will generally be secured by capital commitments made by the Limited Partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of Unrelated Business Taxable Income.

Providers of Operations Support

The Advisers, the Funds and/or the portfolio companies may retain other companies and individuals ("Operations Support Providers"), which include affiliates of the general partner, employees of the Advisers and such affiliates, portfolio companies of other of the Advisers' funds, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), operating partners, senior advisors, advisers, consultants, venture partners, entrepreneurs-in-residence, executives-in-residence, contractors and other similar professionals.

The Operations Support Providers are engaged to provide operational support, due diligence, research, sourcing, specialized operations and consulting services and similar or related services to the Funds, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies ("Operations Support Services"). These services may be high level insight or extensive day-to-day roles, and may include support to the general partner on behalf of the Funds, or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the

anticipated Operations Support Services to be provided. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the governing documents of the Funds, fees and expenses associated with Operations Support Services (“Operations Expenses”) may be paid and/or reimbursed by portfolio companies and/or the Funds. Operations Expenses (including Operations Expenses incurred in connection with an affiliated Operations Support Provider) will be determined at the discretion of the general partner taking into account the particular Operations Support Services, may include an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation to the Operations Support Provider, and will otherwise be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service, and whether an Operations Expense will be paid by the portfolio companies, a Fund, or an Adviser, will be made by the general partner, in its sole discretion. Operations Expenses will, from time to time also be incurred in respect of portfolio companies prior to the closing of the investment. To the extent services may be provided for the benefit of a Fund, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Fund. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated among the Funds as determined by the General Partner or Advisers, as applicable in a fair and equitable manner. To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will not reduce any fees otherwise payable to the Advisers or their affiliates. The General Partner’s determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Fund and its investors. Over time, certain existing and former employees of the Advisers (including senior personnel) may transition to an Operations Support Provider role, which may shift the burden of compensating such persons from the Advisers to the applicable Fund and/or their portfolio companies.

Although the use of Operations Support Providers and allocation of Operations Expenses paid to them may subject the Advisers and their affiliates to potential conflicts of interest, the Advisers believe any such potential conflicts of interest are mitigated by the expected savings to the portfolio companies (and, in turn, the relevant Fund(s)) that will be applied if the cost of the Operation Support Provider is lower than market rates for the services provided, or if the services provided by the Operations Support Providers are consistent with the business strategy the Advisers have for the relevant portfolio company.

Diverse Membership

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

Business with and Among Portfolio Companies and Investors

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

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

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

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

has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Advisers and/or their affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Advisers may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Advisers to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

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

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

Service Providers

Services required by a Fund (including some services historically provided by the Advisers or their affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties in the discretion of the Advisers or their affiliates. The Advisers and their affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Advisers personnel. Such services may include, without limitation, deal sourcing, information technology, license software, depository, data processing, client relations, administration, custodial, accounting, legal and tax support and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by the Advisers to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. The costs and expenses of any such third-party service providers will be borne by the Funds.

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

Additionally, employees of the Advisers or their affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that the Advisers may have with a service provider can influence the Advisers in determining whether to select, or recommend such service provider to perform services for a Fund or a portfolio company. The Advisers will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Advisers information about markets and industries in which the Advisers operate or are interested or will provide other services that are beneficial to the Advisers. Although the Advisers select service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Advisers, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

While the Advisers often do not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Advisers receive more favorable service rates or arrangements than the Funds or their portfolio companies.

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

The Advisers or their affiliates may engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may be seconded to the Advisers or their affiliates. In such circumstances, a conflict of interest exists because the Advisers or their affiliates have an incentive to select one service provider over another on the basis that the Advisers or their affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Advisers or their affiliates.

Positions with Portfolio Companies

Employees of the Advisers serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciaries duties among the two portfolio companies may create a conflict of interest. Such employees are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, employees of the Advisers may leave the employment of the Advisers or their affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Decisions made by a director may subject the Advisers, their affiliates or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims.

From time to time employees of the Advisers may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such employee's employment with the Advisers. In such circumstances, any compensation or fees received by such former employee is not subject to the advisory fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Advisers to take actions with respect to the portfolio company that the Advisers consider to be in the best interests of the Funds.

Side Letter Agreements; Advisory Committee Rights

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

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

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

In addition, members of one Fund's advisory committee may also be a member of another Fund's advisory committee. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory committee members may have conflicting interests and such advisory committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Other Potential Conflicts

The governing documents of a Fund establish complex arrangements among the Funds, the Advisers, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the governing documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Advisers will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

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

The Advisers and their personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the Advisers and/or their personnel, and such rewards and/or amounts will exclusively benefit the Advisers and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Advisers personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Advisers personnel to the extent the trip also serves a personal purpose.

The Advisers have in the past and may, in its discretion, in the future have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings,

arrangements or agreements with persons who are former employees or executives of the Advisers. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Advisers and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Advisers may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Investors may be introduced to the Advisers, or may be brought in a Fund, by a third-party consultant from which the Advisers or a Related Person purchase products and to which the Advisers or a Related Person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Advisers have in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Advisers and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Advisers that cover one or more Funds and/or the Advisers (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). The Advisers will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Advisers on a fair and reasonable basis, and may make corrective allocations should they determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Advisers, their affiliates, other portfolio companies of the Advisers’ clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Advisers are often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to advisory fee offsets or otherwise shared with the relevant Funds.

The governing documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner’s share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners’ share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund, because the General Partner has an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind

(or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

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

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

Item 12. Brokerage Practices

The Advisers have complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that the Funds pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, the Advisers may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- confidentiality;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- order of call;

- offering to the Advisers on-line access to computerized data regarding Fund accounts;
- computer trading systems;
- the availability of stocks to borrow for short trades;
- economic and market information;
- portfolio strategy advice;
- industry and company comments;
- technical data;
- performance measurement data; and
- on-line pricing.

The Advisers may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a “soft dollar” relationship):

- research reports, services and conferences, including third-party research fees;
- consultations;
- on-line pricing;
- news wire and data processing charges;
- quotation services;
- custody, recordkeeping and similar services;
- proxy voting services;
- supplies;
- accounting and administrative fees; and
- legal fees.

The Advisers may receive soft dollar credits based on principal, as well as agency, securities and commodities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to the Advisers.

During the Advisers' last fiscal year, they acquired only research with Fund brokerage commissions or markups.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the advisers in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If the Advisers use commission dollars to pay for products or services that provide administrative or other non-research assistance to itself or their affiliates, such payments may not fall within the section 28(e) safe harbor.

The Funds have retained prime brokers and custodians to custody the Funds' assets and provide the Advisers with other services, as set forth in each Fund's governing documents. These services may include: technology services (such as internet access, IT support, Bloomberg connections, wireless networking, email archiving and disaster recovery systems), portfolio reporting and access to electronic communications networks. These firms also may, at their discretion, provide capital introduction services. The Advisers use these services for research and trading on behalf of the Funds. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if the Advisers did not receive these services from these firms, the Advisers would be required to pay for all or some portion of them. The Advisers are not required to direct a particular number of trades to any of these firms or to continue to use them as the Funds' custodians, but it has an incentive to do so based on their prior and continued services.

The Advisers may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. The Advisers determine in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or the Advisers' overall fiduciary duty to Fund investors. The Funds may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from the Advisers' brokerage relationships benefit the Advisers' operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits. The Advisers does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

The Advisers' relationships with brokers and futures commission merchants that provide soft dollar services influence the Advisers' judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. The Advisers have an incentive to select or recommend a broker or futures commission merchant based on the Advisers' interest in receiving soft dollar services rather than the Funds' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that the Advisers use soft dollars to pay expenses it would otherwise be required to pay itself.

The Advisers address these conflicts of interest by annually evaluating the trade execution services that the Advisers receive from the brokers and futures commission merchants that they use to execute trades for the Funds. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. The Advisers consider, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

The Advisers may aggregate securities sale and purchase orders for a Fund with similar orders being made contemporaneously for other accounts that the Advisers manage or with accounts of their affiliates. In such event, the Advisers may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the Fund than it would be if the Advisers were not executing similar transactions concurrently for other accounts. The Advisers may also cause a Fund to buy or sell securities directly from or to another account, if such a cross-transaction is in the interests of both accounts.

The Advisers may direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective investors. Directing brokerage in exchange for investor referrals creates a conflict of interest in that the Advisers have an incentive to refer the Funds' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During their last fiscal year, the Advisers did not direct Fund transactions to a particular broker or futures commission merchant in return for investor referrals.

Item 13. Review of Accounts

VCM's President, Christopher R. Hansen, generally reviews all accounts daily. With respect to VPM, Christopher R. Hansen and Daniel Karubian will generally review all accounts. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each Fund investor receives a monthly report stating performance for the month and a quarterly letter discussing annual performance and investment outlook. The Advisers' Chief Financial Officer, Brian Miller, monitors the Funds' books and records and assets and liabilities, generally on a daily basis.

Item 14. Client Referrals and Other Compensation

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

Item 15. Custody

Not applicable.

Item 16. Investment Discretion

The Advisers have discretionary authority to manage the Funds pursuant to a grant of authority in each Fund's limited partnership agreement or a limited power of attorney in the Fund's account agreement.

Item 17. Voting Client Securities

The Advisers vote all proxies on behalf of each Fund based on the Advisers' determination of the Fund's best interests, unless they abstain, as noted below. In determining whether a proposal serves a Fund's best interests, the Advisers consider a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- If the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

The Advisers abstain from voting proxies when the Advisers believe that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between the Advisers and a Fund, the Advisers will vote all proxies in accordance with the policy described above.

A Fund investor can obtain a copy of the Advisers' proxy voting policy and a record of votes cast by the Advisers on behalf of that Fund by contacting the Advisers.

Item 18. Financial Information

Not applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

Valiant Capital Management, L.P. (“VCM”), Valiant Peregrine Management, L.L.C., (“VPM,” and, with VCM, the “Advisers”) and the investment funds to which they serve as the investment advisers (the “Funds”) are committed to safeguarding the confidential information provided to them by their clients, limited partners and shareholders, former clients, limited partners and shareholders, and persons who have applied to be clients, limited partners and shareholders (together, “Clients”). This notice provides information to you about the Advisers’ and the Funds’ privacy policies and practices.

The Advisers and the Funds collect nonpublic personal information about Clients from the following sources: interviews and other conversations between Clients and representatives of the Advisers or the Funds; subscription agreements, offering questionnaires and other documents provided by Clients; information about Clients’ transactions with a Fund, its affiliates and others; and information the Investment Advisers and the Funds receive from consumer reporting agencies.

The Advisers and the Funds do not disclose any nonpublic personal information about any of their Clients to anyone, except as permitted by law. Disclosures that are permitted by law include disclosures that are necessary to effect, administer or enforce a transaction that a Client requests or authorizes. Other examples of disclosures that are permitted by law are disclosures to the Advisers’ or the Funds’ accountants, auditors and lawyers, disclosures to regulators that examine the Advisers’ or the Funds’ business and disclosures that Clients specifically request.

The Advisers and the Funds do not provide personal information about investors to mailing list vendors or solicitors for any purpose. The Advisers and the Funds restrict access to nonpublic personal information about Clients to those employees of the Advisers who have a business or professional reason to know such information. In addition, the Advisers and the Funds maintain a secure office and computer environment to ensure that the confidentiality of Clients’ information is not placed at unreasonable risk.