

Form ADV Part 2A: FIRM BROCHURE



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This Brochure provides information about the qualifications and business practices of Linden Manager LLC (referred to herein as “Adviser”, the “Firm” or “Linden” d/b/a “Linden Capital Partners” and “Linden LLC”). If you have any questions about the contents of this Brochure, please contact us at (312) 506-5600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Linden is a registered investment adviser. Registration of an investment adviser with the SEC does not imply any level of skill or training.

Additional information about Linden also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since Linden’s last annual update to the brochure (“Brochure”), the Firm filed on March 31, 2018. Linden routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year’s filing, the following Items have been updated:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2018;
- Item 8: updated to reflect additional risk factors and conflicts of interest; and
- Item 13: updated to clarify the reports sent by Linden to investors.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 – Disciplinary Information	22
Item 10 – Other Financial Industry Activities and Affiliations.....	22
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	23
Item 12 – Brokerage Practices.....	25
Item 13 – Review of Accounts	26
Item 14 – Client Referrals and Other Compensation.....	26
Item 15 – Custody	27
Item 16 – Investment Discretion.....	27
Item 17 – Voting Client Securities.....	28
Item 18 – Financial Information	29

Item 4 – Advisory Business

Firm Description

Founded in 2004, Linden Capital Partners, together with its fund general partner entities, is a Chicago-based private equity firm focused on investing in and operating middle market healthcare businesses. Linden Manager LLC (referred to herein as “Adviser” or “Linden”) serves as the investment adviser for and provides discretionary investment advisory services to private funds exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”).

Linden currently manages eight limited partnerships (collectively referred to as the “Funds”): Linden Capital Partners LP and Linden Capital Partners-A LP (“Fund I”); Linden Capital Partners II LP and Linden Capital Partners II-A LP (“Fund II”); Linden Capital Partners III LP and Linden Capital Partners III-A LP (“Fund III”); Linden Capital Partners IV LP and Linden Capital Partners IV-A LP (“Fund IV”). Linden also manages a vehicle structured as a private fund, Linden Investments LP, which invests alongside Fund III in one portfolio company.

Each Linden Fund is managed by a general partner, which has the authority to make investment decisions on behalf of such Funds. Linden Manager LP (the “Fund I General Partner”) manages Fund I; Linden Manager II LP (the “Fund II General Partner”) manages Fund II; Linden Manager III LP (the “Fund III General Partner”) manages Fund III and Linden Manager IV LP (the “Fund IV General Partner”) manages Fund IV (collectively referred to as the “General Partners”). Each General Partner listed above is registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”) pursuant to Linden’s registration in accordance with SEC guidance. While the General Partners maintain ultimate authority over the respective Funds, Linden has been designated the role of investment manager of the Funds. For more information regarding the Funds and General Partners, please see Linden’s Form ADV Part 1, Schedule D, Section 7.A. and 7.(B).1.

Linden focuses on purchasing privately-held businesses, non-core businesses of large corporations and publicly traded companies. For privately-held portfolio opportunities, the Firm looks for investments where it believes it is able to assist in the development of the organization by exploiting value creation opportunities and emphasizing human capital to support the organization’s strategic plans. Linden’s strategy includes a proprietary ownership and governance model known as the value creation program adapted specifically for private companies and leverages the Firm’s highly experienced team of both investment professionals and experienced industry executives (“Operating Partners”) to identify value creation opportunities pre-closing and implement these initiatives during Linden’s ownership period.

Linden provides investment advisory services as a private equity manager to its Funds. Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. Linden’s

investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in nonpublic companies and across the capital structure, although investments in public companies are permitted in certain cases. Senior principals, other Adviser personnel, Operating Partners and/or third parties appointed by Linden generally serve on the boards of directors of the portfolio companies or otherwise act to influence control over management of portfolio companies held by the Funds.

Linden does not tailor its advisory services to the individual needs of investors in its Funds; the Firm's investment advice and authority for each Fund is tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement, investment advisory agreements, side letters and other governing documents of the relevant Fund (collectively, "Governing Documents"). The Firm does not seek or require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities. Investors in Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. Linden has entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Such rights may include certain notification provisions, reporting requirements and "most favored nations" provisions, among others. Side letters are negotiated when the relevant investor's subscription documents are executed and, once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund.

Linden does not participate in wrap fee programs.

As of the December 31, 2018, Linden managed approximately \$3.374 billion regulatory assets under management, all of which are managed on a discretionary basis. Linden does not manage any assets on a non-discretionary basis.

Principal Owners/Ownership Structure

Linden Manager LLC is owned by Anthony Davis and Brian Miller. For more information about the owners and executive officers of Linden, please see Linden's Form ADV Part 1, Schedule A.

Item 5 – Fees and Compensation

The specific manner in which Linden or its related entities charges fees is established and described in greater detail in the Governing Documents of each Fund. Investors should refer to these Governing Documents for a complete understanding of how Linden is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

Generally, on a semiannual basis, the General Partners will charge the Funds a fee for managing the portfolio (“Management Fee”). This fee is billed partially in advance and partially in arrears on January 5th and July 5th of each calendar year. These and other fees (described below) are paid either as a result of a capital call notice to investors, as a portfolio company expense, as a Fund expense or deducted from distributions to investors. Given the long-term nature of an investment in any private equity fund, there are substantial constraints on an investor’s ability to withdraw and, therefore, it is rare for a Fund investor to fully withdraw from a Fund before the end of each semiannual period. However, if this were to occur, generally through a private sale of a partnership interest, the Management Fee is treated as earned and is not refunded.

While each Fund is in its investment period (generally a length of six years after Management Fees are initially charged), the Management Fee is equal to 2% of non-affiliate investor commitments. After the investment period has expired, when Management Fees are charged on a new fund with substantially similar objectives or, solely in the case of Fund IV, six months after there has been a change of control or key person departure as described in the Governing Documents for Fund IV, the Management Fee is equal to 2% of non-affiliate invested capital, subject to various other factors as detailed in the relevant Fund Governing Documents. In the case where an investment has been completely written off or is no longer in the portfolio, the investment is not included in the invested capital fee base. Management Fees are no longer charged to Fund I.

Management Fees will generally be reduced by (i) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by Linden in connection with the organization of such Fund that exceed a limit as specified in such Fund’s Governing Documents; and (iii) if applicable, certain supplemental fees and compensation with respect to portfolio investments for Related Services (as defined below), the amount of which are paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by Linden subject to the terms set forth in each Fund’s Governing Documents. All such supplemental fees received are offset in part against the Management Fee, net of any unreimbursed expenses incurred in connection with such portfolio investment; however, any such fees received by non-Linden employees are not subject to an offset against Management Fees. Further, any such reduction of a Fund’s Management Fee is typically limited to the extent of such Fund’s proportionate interest in any such portfolio company and only to the extent a Management Fee is payable by a Fund currently or in the future.

To the extent that such an offset credit would reduce a Fund’s Management Fee for a given quarter below zero, the credit will be carried forward for future application against Management Fees. The amount and manner of such reduction and use of Management Fee credits after dissolution, if any, is set forth in the relevant Governing Documents of the applicable Fund.

All Management Fees were negotiated with each Fund’s investors during the fundraising period of the applicable Fund. The General Partners are permitted to, and have exempted certain investors in the Funds from payment of all or a portion of Management Fees.

As permitted under the Funds' Governing Documents, the Management Fee that would otherwise be paid in a given year is waived or reduced when certain circumstances are met, and any waived portion of such Management Fee reduces the amount of capital contributions the relevant General Partner would otherwise be required to contribute to such Fund. The investors of a Fund may be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of the relevant General Partner in connection with any such waiver as described above and, as a result, the exercise of such waiver has the potential to result in an acceleration of investors' capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above.

The Adviser and its affiliates may perform management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receive transaction and other fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, which differs across Funds and may include closing fees, investment banking fees, placement fees, monitoring fees, consulting fees, directors' fees, fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, and similar transactions. As mentioned above, if the Adviser receives any of these fees, Management Fees of the respective Fund are reduced by an amount and manner as set forth in the Governing Documents of the applicable Fund, except for fees earned by the Operating Partners and Operations Group. Additionally, a portfolio company on occasion reimburses the Adviser for expenses (including but not limited to travel, entertainment, executive recruiting and advancement, and other expenses) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the Management Fee offset provisions.

In addition to the Management Fee, each Fund bears certain other expenses. As set forth in the Governing Documents of each Fund, to the extent not paid by portfolio companies, each Fund may also be responsible for certain costs, expenses, liabilities and obligations (which differs across Funds) relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Funds' actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals (including Operating Partners) and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful, and including expenses associated with attending industry conferences and meetings with industry executives and similar persons to the extent such conferences and meetings lead to the origination and sourcing of investment opportunities for a Fund; (ii) indebtedness of, or guarantees made, on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest and fees with respect thereto, or seeking to put in place any such indebtedness or guarantee;

(iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to Operating Partners, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing and communications; (xi) the preparation, printing, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Funds or the investors; (xiii) any activities with respect to protecting the confidential or nonpublic nature of any information or data, including confidential information; (xiv) any reasonable out-of-pocket costs and expenses incurred by representatives of a General Partner, Fund advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of a Fund advisory committee; (xv) indemnification; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual investor meeting or other periodic, if any, meetings of the investors and any other conference or meeting with any investor(s) (including travel, lodging, meals and entertainment); (xviii) the Management Fee; (xix) any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities; (xx) the termination, liquidation, winding up or dissolution of a Fund; (xxi) defaults by investors in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, a parallel Fund, a General Partner, a parallel Fund General Partner, an ultimate General Partner, the Adviser and any alternative investment vehicle of a Fund or a parallel Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law or regulation related to the activities of a Fund (including regulatory expenses of a General Partner incurred in connection

with the operation of a Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer; (xxv) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the investors); (xxvi) distributions to the investors and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxvii) compliance or regulatory matters related to a Fund; (xxviii) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxix) any organizational expenses; (xxx) any placement fees; and (xxxi) any other fees, costs, expenses, liabilities or obligations approved by a Fund's advisory committee; but not including (A) ordinary overhead and administrative expenses that are payable by a General Partner and/or the Adviser pursuant to each Fund's limited partnership agreement and (B) any expenses included as part of the definition of "Investment Contributions" as defined in each relevant Fund's limited partnership agreement.

Linden has created an operations group ("Operations Group") comprised of non-investment professionals employed or retained by Linden or an affiliate of Linden to provide services to the Adviser, the General Partner, a portfolio company, or any affiliate of Linden. Any compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Operations Group members is generally paid by a portfolio company or prospective portfolio company (which payments do not offset the Management Fee) or directly by the relevant Fund if permitted in its Governing Documents.

In addition, Linden has engaged several Operating Partners to research, identify and provide recommendations regarding target markets, market segments and companies for potential acquisition or investment. Pursuant to written arrangements, Operating Partners are compensated through regular service payments and an additional fee paid upon the successful acquisition of a portfolio company sourced by such Operating Partner or in which they were an active advisor during diligence. Operating Partners receive payment from portfolio companies if they serve on such portfolio company's board of directors and for reimbursement of expenses incurred. Any compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Operating Partners is generally paid by a portfolio company or prospective portfolio company (which payments do not offset the Management Fee) or directly by the relevant Fund if permitted in its Governing Documents. Some Operating Partners are also investors in the Linden Funds.

Co-investors pay direct expenses incurred by the co-invest vehicle and generally bear their pro rata portion of operating expenses related to the specific company they have invested in but do not share in all of the expenses allocated to the Funds. Each co-investment agreement is negotiated with that

co-investor and is not subject to review by Fund investors. Further, as a co-investment vehicle is not formed until an investment is consummated, co-investors generally do not pay for expenses related to investments that are not consummated, or “broken deal” expenses.

At times service providers perform services pertaining to multiple Funds or related entities. In such instances, Linden will allocate the total expense to multiple entities, including the Funds, using what it believes to be a fair and equitable allocation methodology in accordance with the relevant Governing Documents and its internal policies and procedures.

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

A carried interest allocation represents an adviser’s compensation based on a percentage of net profits of the funds it manages. Each General Partner has entered into performance fee arrangements with their related Fund. If total proceeds from the sale of Fund investments exceed the sum of cash contributions made by such Fund’s investors plus an 8% annually compounded preferred return on those cash contributions, the relevant Fund General Partner is allocated 20% of the profits. Carried interest is subject to claw-backs to the extent Linden or its related entities are paid in excess of their entitled distribution. Each Fund’s carried interest calculation is further described in the relevant Fund Governing Documents.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Management Fees, carried interest allocations, and other amounts payable to Linden and its related entities are determined at the time of the establishment of the relevant vehicle and are negotiated with participating investors prior to making their investment commitment. Once the relevant Fund has been established and commenced operations, such compensation and expenses are not modified without the consent of two-thirds of the non-affiliated investors of the relevant Fund. The General Partners are permitted to, and have exempted certain investors in the Funds from payment of all or a portion of Carried Interest.

The fact that each General Partner’s carried interest allocations are based on the performance of each Fund can create an incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions. The Firm believes this incentive is sufficiently mitigated, however, because the General Partner would lose the capital it has invested in each Fund. Any losses a Fund sustains will reduce each General Partner’s carried interest allocation, which is only earned after investors have received as distributions 100% of their capital contributions for each realized investment plus a preferred return.

Linden manages multiple Funds with similar investment strategies on a side-by side basis. As a result, Linden and its related entities have a potential conflict of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which Linden and/or the General Partners may have a greater financial interest. These conflicts of interest have the potential to create an

incentive for Linden to favor a Fund in which it and/or a General Partner have a greater financial interest. To mitigate such potential conflict, investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with Linden's policies and procedures and in accordance with the applicable Governing Documents. Linden's policies and procedures for the allocation of investments are determined by the Investment Committee and monitored by Linden's Chief Compliance Officer.

Item 7 – Types of Clients

Linden provides portfolio management services to its private fund clients, the Linden Funds. The Funds limit their respective investors to investors who are “accredited investors” as defined under Regulation D of the Securities Act of 1933 and “qualified purchasers” or “knowledgeable employees” each as defined in the Investment Company Act. The Funds generally have minimum investment amounts varying from \$1.0 million to \$5.0 million for third party investors, depending on the Fund, which have been reduced in the applicable General Partner's sole discretion. Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act; their securities are not registered or required to be registered under the Securities Act of 1933 and are privately placed to qualified investors in the United States and elsewhere.

Investors in the Funds include a broad range of U.S. and non-U.S. investors, including, among others, fund of funds, high net worth individuals, corporations, pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, foreign funds and other U.S. and international institutions. In addition, employees, Operating Partners and other persons associated with Linden and/or its affiliates have made capital commitments to the Funds.

Linden will pursue all appropriate investment opportunities through its Fund vehicles. From time to time, Linden requires additional capital in order to complete a portfolio company transaction and reaches out to certain investors or other third party sources for additional capital. These opportunities for co-investment arise when Linden has the opportunity for an investment in an existing or prospective portfolio company and determines that all or a portion of the applicable opportunity is not required or able to be offered to, or is not appropriate for, a Fund. These opportunities to invest directly in a portfolio company are made available to any person or entity, including without limitation strategic investors, lenders, deal sources, other private equity or venture capital firms, Fund investors, other persons or entities affiliated, associated or otherwise known to Linden. Such determinations are based on the provisions of the applicable Fund's Governing Documents, side letter agreements and such other factors as Linden considers in its sole discretion, including those specified from time to time in its policies and procedures on investment allocation and co-investment. These other sources of additional capital generally do not pay for expenses related to investments that are ultimately not consummated. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity.

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

Strategy

Linden invests in middle market healthcare businesses. These are privately-held businesses, non-core operations of larger corporations and publicly traded companies where Linden is able to assist in the development of the organization by exploiting value creation opportunities and emphasizing human capital to support the organization's strategic plans. Linden accomplishes these objectives by using a team of both investment and operating professionals to identify value creation opportunities pre-closing and implement these initiatives during Linden's ownership period.

The Firm invests primarily in transactions where it can be the lead investor or otherwise have significant governance influence. Linden does not invest in what it considers to be venture capital investments. The Firm seeks opportunities where it can implement its proprietary value creation program in partnership with company management.

Linden's strategy has eight key components: (1) team of investment professionals and Operating Partners to assess and build value; (2) targeted healthcare industry focus; (3) generation of advantaged deals through industry and corporate relationship management; (4) proprietary post-investment value creation program incorporating financial, operating, and strategic goals; (5) emphasis on human capital to build leading management teams and boards at portfolio companies; (6) investing in businesses to drive future growth and value creation; (7) tested investment qualification process and tailored transaction structures; and (8) exit planning integrated into the initial investment evaluation.

Team of Investment Professionals and Operating Partners to Assess and Build Value: The successful identification, evaluation, execution, management, and exit of private equity investments requires a team with a broad set of skills. An important element of Linden's strategy is the application of operating and technical expertise to all facets of private equity investing. Linden combines (i) a long and generally successful record of investing in middle market private equity transactions; (ii) healthcare domain expertise, including a broad network of relationships with companies and executives; (iii) operating expertise; and (iv) buyout investing, structuring and financing experience.

In addition to its well-developed transaction capabilities, Linden combines operating expertise to its transaction teams with its Operating Partners. Linden continues to refine and expand its Operating Partner strategy through its in-house Human Capital Partner, who manages Linden's Operating Partner strategy. Operating Partners are typically involved at each stage of the investment process, from sourcing to oversight. Transaction teams of investment and operating professionals analyze potential investments, develop value creation plans during the due diligence process, provide governance and monitoring oversight, and plan the exit process.

Targeted Industry Focus on Healthcare: Linden is exclusively focused on the large, growing and often technically complex field of healthcare, which Linden believes produces a competitive advantage for the Firm in identifying, managing, and exiting its investments. The healthcare industry encompasses

a broad and expanding market. Examples of sub-sectors that Linden is actively pursuing include behavioral health, contract manufacturing, dental products, dental service organizations, dermatology services, diagnostics, healthcare IT, healthcare distribution, infection control, life science tools, medical devices and technology, multi-site providers, payor services, pharmaceutical services, specialty pharmaceuticals, and specialty pharmacies. Linden believes this environment encounters frequent change and requires a dedicated focus to the healthcare sector to monitor and evaluate changes and reform. Such changes often create inefficiencies that present opportunities for knowledgeable investors with industry expertise and relationships. Linden's industry, corporate, and investment banking coverage program, and its extensive relationships with industry executives, scientists, former government employees, investment banks, political consultants, financing sources, and other private equity firms help enable Linden to be aware of and understand the implications of developments and trends in the healthcare industry. Linden's healthcare strategy covers a broadly defined target market, ranging from human healthcare services to medical products and technology to distribution.

The Firm targets businesses with existing and sustainable revenues and EBITDA in segments that, on average, it believes have lower reimbursement risk than typical healthcare investments. As an industry specialist, Linden monitors, as appropriate, the complex regulatory and reimbursement environments governed by a vast array of governmental and private entities.

Generation of Advantaged Deals through Industry and Corporate Relationship Management: Linden's sourcing strategy is aimed at creating advantaged investment opportunities where Linden is a partner of choice for the seller. Each of Linden's investments have been made through an opportunity in which Linden believes the Firm had created a competitive advantage at the outset.

Linden believes the team has built a strong reputation with external constituencies in the healthcare industry, and is known as a sophisticated, creative, and experienced investment partner. This is a result of years of operating in the industry (both as part of the Firm and earlier in predecessor funds), a strong performance track record with portfolio companies, and significant time spent proactively identifying potential investments. To accomplish successful sourcing, Linden uses its industry, corporate, and investment banking coverage program, and its Operating Partner network. A key component of Linden's strategy is to build long-term relationships with the leading healthcare companies, advisers, investment bankers and consultants.

Linden's origination efforts are also research-intensive, as the Firm monitors the strategic activities of the largest public companies in the healthcare industry. This research is also used in the identification, evaluation, due diligence, strategic development, and monitoring of portfolio companies. Linden's network of executives frequently enables personal introductions to senior management at these companies.

Proprietary Post-Investment Value Creation Program Incorporating Financial, Operating and Strategic Goals. A core component of the Firm is the development, implementation and execution of its value creation program for all of its investments. This process is a private company governance model. It is designed to create an independent company that is a professionally managed organization.

The major goal of the value creation program is to create alignment between the board of directors and the management team around a set of objectives that can be measured and implemented during Linden's ownership period. The plan seeks to address both operating and financial performance improvement, thereby aiming to increase the intrinsic value of the business for the next owner. EBITDA growth is emphasized through revenue growth, sales, and new market channel development, and operating improvements.

During the due diligence process, Linden's principals and Operating Partners identify specific areas of creating value and then prioritize those objectives in a formal value creation program. Following closing, Linden begins working with management of the portfolio company to oversee the value creation program prepared during the due diligence process. During the ownership period, Linden actively and rigorously monitors its predetermined priorities of the value creation program. In doing so, the board of directors and the management team of the portfolio companies have measurable accountability to a mutually agreed upon plan at the outset of an investment.

Risk Factors

No investment is free of risk. Current and prospective Linden investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. All investors should be aware of certain risk factors, which include, but are not limited to:

Business Risks: The Funds' investment portfolios consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial loss.

Future and Past Performance: The performance of the members of the Linden team's prior investments is not necessarily indicative of any Fund's future results. While Linden intends for its Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments: The Funds will participate in a limited number of investments and intend to make most of its investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry can substantially affect its aggregate return.

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

Lack of Sufficient Investment Opportunities: The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors are required to bear annual Management Fees during each Fund's investment period based on the entire amount of such partner's commitments and other expenses as set forth in the relevant Governing Documents. There also is likely to be increasing competition among private equity firms and investors for investments in the sectors in which the Funds target its investments. There are a number of partnerships and many experienced individuals in these industries that specialize in healthcare businesses. In addition, many established private equity firms and large private and public companies, which have much greater capital resources than the Funds, often invest in healthcare businesses. Therefore, there can be no assurance that any Fund will make a sufficient number of attractive investments in order to deploy the Fund's committed capital completely or profitably.

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

Limited Transferability of Fund Interests: There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Fund interests under each Fund's partnership agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions: Generally, there will be no readily available market for a substantial number of the investment recommendations, and hence, most of the Funds' investments will be difficult to value. Certain investments are permitted to be distributed in kind to investors, subject to various side letters, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which can have an adverse impact on the price of such securities. The price at which such securities are sold by such investors may be lower than the value of such securities determined pursuant to the relevant partnership agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Leveraged Investments: The Funds make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and its

risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets are often impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Funds or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As. In addition, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. Although, as with all Fund expenses, such interest expense must be paid back to the investors prior to the General Partner receiving any carried interest thereby reducing the overall capital available to pay carried interest. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Funds will be vested with such Fund's General Partner, and a Fund's future profitability will depend largely upon the business and investment acumen of the principals. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals intend to in the future, manage other investment funds besides the Funds and the principals expect to devote substantial amounts of their time to the investment activities of such other Funds, which can pose conflicts of interest in the allocation of the time of the principals. Investors generally have no right or power to take part in the management of the Funds,

and as a result, the investment performance of the Funds will depend on the actions of Linden and the General Partners. In addition, certain changes in Linden and the General Partners or circumstances relating to the Firm or the General Partners can have an adverse effect on the Funds or one or more of its portfolio companies including potential acceleration of debt facilities.

Although Linden will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts can arise in connection with decisions made by Linden regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm generally will consider the investment and tax objectives of each Fund and its investors as a whole, not the investment, tax, or other objectives of any investor individually.

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

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

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

documents in the event an equity cure cannot be made). Additionally, the failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Director Liability. The Funds typically seeks to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

Fund Advisory Committee. The General Partner of each Fund will appoint one or more investor representatives to each Fund's advisory committee. The Governing Documents provide that to the fullest extent permitted by applicable law, none of the Fund Advisory Committee members shall owe any fiduciary duties to the Funds or any other investors. In addition, representatives of the Fund Advisory Committees can have various business and other relationships with the General Partners and their partners, employees and affiliates. These relationships have the potential to influence their decisions as members of a Fund Advisory Committee.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds invest, including various segments of the healthcare industry, are (or may become): (i) highly regulated at both the federal and state levels in the U.S. and internationally; and (ii) subject to frequent regulatory change. Certain segments are highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invests. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industry are introduced from time to time, which, if adopted, could have a significant impact on such industry in general and/or on companies in which the Funds invest.

Projections. Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Linden in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions

made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, Linden will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can differ from values that would have been determined had an active market existed for such securities and can differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by Linden can give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

Cybersecurity Risk. The Funds, their portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their portfolio companies, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their portfolio companies. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the Funds, their portfolio companies, their service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds or their portfolio companies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Certain Consultants. Linden has retained, on behalf of the Funds and/or the portfolio companies, as applicable, operating partners and other consultants (“Operating Partners”), which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other funds managed by the General Partner or its affiliates, third party consultants (including individual Operations Group members, consultants and external executives), “strategic partners,” “executive partners” or “senior advisors.” The Operating Partners often provide services to, or in connection with, the Funds in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies (“Services”).

Pursuant to the Governing Documents of each Fund, fees and expenses associated with the Services (collectively “Consulting Fees and Expenses”), are on occasion paid and/or reimbursed by applicable portfolio companies and/or the Funds, and Consulting Fees and Expenses do not offset the Management Fee. Consulting Fees and Expenses include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operating Partner, which may 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 Operating Partner, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies often provide opportunities for Operating Partners to invest in such portfolio company and reimburse costs and expenses incurred by Operating Partners. Operating Partners also receive remuneration from a General Partner and/or a Fund or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to an Operating Partner will not offset the Management Fee. Operating Partners frequently have a limited partnership or profit interest in a Fund, a General Partner, one or more other investment funds sponsored by the General Partners or in an affiliate of the General Partners. Although Linden intends to retain Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors can result in limited or no cost savings from such retention. In addition, Linden intends to retain only such Operating Partners which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Co-Investments. In Funds in which Linden is actively making new platform investments, Linden has in the past and may in the future, in its sole discretion, provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by Linden in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which are permitted be made to one or more persons for any number of reasons as determined by Linden in its sole discretion, may not be in the best interests of the Funds or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, Linden will consider some or all of a wide range of factors, including relevant industry knowledge, prior co-investing experience, speed and certainty of closing as well as prior, current and potential future commitment levels, and the terms of previous investments made by an investor in vehicles managed by Linden. Such factors can also include factors which benefit Linden, such as the likelihood that an investor may invest in a future fund sponsored by Linden or its affiliates. The Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In

addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction. Co-investment terms may vary with older Funds that are no longer making new platform investments.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by Linden or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities are typically offered to some and not to other investors. When and to the extent that employees and related persons of Linden make capital investments in or alongside the Funds, Linden is subject to conflicting interests in connection with these investments. Linden's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations have the potential to be more or less advantageous to some such persons relative to others.

Conflict of Interest

Investment Allocation. Until such time as Linden is permitted to raise a successor investment fund, the principals will pursue all appropriate investment opportunities that meet the investment criteria of the most recently closed Fund for the benefit of that Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals currently, and may in the future, manage several Linden Funds and investments and may direct certain relevant investment opportunities to those investment Funds and investments. Linden will continue to manage and monitor such investment Funds and investments. The Firm believes that the significant investment of the principals in the Funds, as well as the principals' interest in the carried interest, operate to align, to some extent, the interest of the principals with the interest of the investors, although the principals have or may have economic interests in the Linden Funds and investments as well and receive Management Fees and carried interests relating to these interests. At such time as Linden is permitted to raise a successor investment fund, the principals will continue to manage the Funds' investments, but also likely will focus investment activities on other opportunities and areas unrelated to the most recent Fund's investments. Certain investments may be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents of that Fund.

It is possible that a Fund will hold interests in portfolio companies that are of a different class or type than are held by other Funds. For example, it is possible that one Fund will hold a certain class of equity securities while another Fund holds a different class of equity securities of the same portfolio company.

Additionally, conflicts of interest can arise if the Funds make an investment in a portfolio company in conjunction with an investment made by another Fund sponsored by Linden or an affiliate. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This may result

in differences in price, investment terms, leverage and associated costs between a Fund and any other investing Fund sponsored by Linden or an affiliate. There can be no assurance that the Funds and the other investing Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. If additional capital is necessary for the portfolio company as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund can, but is not obligated to, provide such additional capital, and a Fund or its General Partner, as applicable, generally will supply such additional capital in such amounts, if any, as determined in the discretion of the Linden, subject to the terms of the relevant Governing Documents. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to each Fund.

Allocation of Fees and Expenses. Linden may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. Linden, in its sole discretion, will allocate fees and expenses in accordance with the Governing Documents and in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

Linden and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as Linden considers, in good faith, to be fair and equitable. There are occasions when one Fund (the "Payor Fund") pays an expense common to multiple Funds (the "Allocated Funds"). 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. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

A conflict of interest could arise in Linden's determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, or whether such expenses should be borne by Linden. The Funds will be reliant on the determinations of Linden in this regard. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct

such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by Linden to be the most appropriate corrective measure.

Portfolio Company Board Service. With few exceptions, the Funds make controlling investments in portfolio companies. As a result of these controlling interests, the General Partner typically has the right to appoint portfolio company board members (including current or former Linden personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Linden in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the partnership agreement's offset provision, are in addition to the Management Fee or carried interest. Linden's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Firm subjects Linden and any such portfolio company board appointees to potential conflicts of interest. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflicts with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Any fees earned for sitting on such portfolio company boards by employees (except for those fees paid to Operating Partners or members of the Operations Group) are offset against Management Fees in the same manner as Transaction and Monitoring Fees; such fees earned by third parties appointed by Linden (such as Operating Partners) are not offset against Management Fees.

Reimbursements from Portfolio Companies. Additionally, a portfolio company typically will reimburse Linden or service providers retained at Linden's discretion for expenses (including, without limitation, travel expenses) incurred by Linden or such service providers in connection with the performance of services for such portfolio company. This subjects Linden to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Governing Documents and its internal reimbursement policies and practices, Linden determines the amount of these reimbursements for such services in its own discretion.

Employees and Service Providers. Linden may also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or other Funds or investment vehicles advised by Linden; conversely, former personnel or executives of Linden may serve in significant management roles at portfolio companies or service providers recommended by Linden. Similarly, Linden and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Linden and/or the Funds. Linden may have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned

by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds Linden advises, will provide Linden information about markets and industries in which Linden operates (or is contemplating operations) or will provide other services that are beneficial to Linden. Linden may have a conflict of interest in making such recommendations, in that it has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds and investment vehicles that Linden advises, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

Over the life of the Funds, Linden generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Linden (or an affiliate, which may include other portfolio companies of the Funds or other investment Funds sponsored by Linden) and at rates determined or substantively influenced by Linden; (ii) an entity with which Linden or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) an investor or its affiliates. This subjects Linden to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Linden may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Linden, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Linden or the Funds may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not Linden has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Industry Relationships. As with many other private equity fund sponsors, as part of Linden's business, the principals, Linden and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of Linden. Certain of these third parties will, on occasion: (i) introduce investment opportunities to Linden; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to Linden, the Funds, or portfolio companies. Such third parties also on occasion provide goods or services to or have business, personal, political, financial or other relationships with the principals. In addition, such third parties are sometimes investors in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to Linden, the Funds and/or their portfolio companies. These relationships have the potential to influence Linden in deciding whether to select

or recommend any such third party to perform services for the Funds or a portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Funds or its portfolio companies, as applicable.

Intangible Benefits. Linden and its employees receive certain intangible and/or other benefits 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 often result in “miles” or “points” or credit in loyalty/status programs to Linden and/or its employees, and such rewards or amounts will exclusively benefit Linden and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its investors, or the portfolio companies.

Item 9 – Disciplinary Information

Like other registered investment advisers, Linden is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of Linden or the integrity of Linden’s management. No events have occurred at Linden that are applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Linden and its affiliated General Partners are not actively engaged in a business other than giving investment advice to its clients, the Funds (which are pooled investment vehicles), and managing the portfolio companies owned by its Funds. Neither Linden nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing.

As mentioned in Item 4 above, Linden is affiliated with the General Partners of Funds I, II, III and IV. These General Partners are deemed registered with the SEC under the Advisers Act pursuant to Linden’s registration. These General Partners operate as a single advisory business together with Linden and serve as General Partners of private investment funds, other pooled vehicles and share common owners, officers, partners, employees, Operating Partners, members of the Operations Group, consultants or persons occupying similar positions. These General Partner entities do not have employees of their own.

Other than as discussed above, Linden has no other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business, the Funds or its investors.

Linden has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, investment banking, tax preparation, insurance brokerage, investment management services and other personal services. Some of these professionals provide services to the Funds or their portfolio companies. Additionally, some of these professionals are investors in Linden Funds, either personally or through their company.

From time to time, Linden receives training, information, promotional materials, meals, gifts, entertainment or prize drawings and other perquisites from vendors and others with whom it does business or to whom it may make referrals. However, at no time will the Firm accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider. Similarly, Linden employees have in the past, and expect to in the future, speak at conferences and programs for potential investors interested in investing in private funds that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction events, prospective investors have the opportunity to meet with Linden. Neither Linden nor any Fund compensates these investment bankers, broker-dealers or others for investments ultimately made by prospective investors attending such events.

Linden does not recommend or select other investment advisers for the Funds.

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Linden has adopted a Code of Ethics for all employees of the Firm describing its high standard of business conduct and its responsibilities to its clients. Linden's Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. All Linden supervised persons must acknowledge and agree to be bound by the terms of the Code of Ethics annually, or at such time the Code of Ethics is amended. Supervised persons of Linden who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

The personal trading policy for all Linden supervised persons is set forth in Linden's Code of Ethics. Linden's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Under the Code of Ethics, Linden supervised persons are required to file certain periodic reports with the Chief Compliance Officer, as required by Rule 204A-1 under Advisers Act.

Linden's supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. The Firm maintains a restricted list regarding issuers about whom it has material nonpublic information. Pre-clearance is required by supervised persons for certain personal securities transactions, including restricted list securities, initial public offerings and certain limited offerings. In addition, supervised persons are required to submit their brokerage account statements to the Chief Compliance Officer for review.

The principals and employees of Linden carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds and may give advice and recommend securities to vehicles which differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. In addition, principals, employees and affiliates have on occasion bought securities in transactions offered to but rejected by the Funds or that are outside the investment mandate of the Funds.

Investors can request a copy of the Firm's Code of Ethics by contacting its Chief Compliance Officer, Doug VanDegrift, at (312) 506-5600.

Participation in Client Transactions

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account knowingly buys from or sells a security to an advisory client. This also applies to any to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). The SEC also views cross trades between Funds to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either Fund. An agency cross transaction occurs when an adviser or affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by the same adviser or an affiliate. Agency cross transactions can also occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3).

In the event Linden were to recommend a principal transaction or agency cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the investors or advisory committee, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Conflicts of Interest

The Governing Documents of each Fund includes a description of what Linden believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

Investors should note that there could be occasions when Linden and its affiliates encounter potential conflicts of interest in connection with a Fund. If any matter arises that Linden determines in its good faith constitutes an actual conflict of interest, Linden will take such actions as necessary or appropriate, within the context of such Fund's limited partnership agreement, to ameliorate the conflict.

Item 12 – Brokerage Practices

Linden's investment focus is on securities transactions of private companies and take-private transactions of public companies, and generally purchases and sells such companies through privately negotiated transactions. In pursuing privately negotiated transactions, Linden will, on occasion, engage the services of a broker-dealer or investment banker in connection with the purchase and sale of a portfolio investment. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Fund. Whether for private or public securities transactions, Linden selects a broker-dealer or investment banker based on Linden's best judgment regarding a variety of factors, which will not be limited solely to deal price and as specified in its compliance manual, including but not limited to: Linden's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; and the commission rates, among other factors.

Although Linden generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

The Firm does not receive any soft dollar benefits from a broker-dealer or other third party in connection with client securities transactions, does not receive investor referrals in connection with selecting or recommending broker-dealers for the Funds and does not engage in directed brokerage. In the event Linden were to aggregate the purchase or sale of securities for Fund accounts, it would do so in the discretion of the investment committee.

Item 13 – Review of Accounts

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly Linden's review of them is not directed toward a short-term decision to dispose of securities. Linden closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews each Fund's portfolios on an on-going basis. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes principals and other investment professionals of Linden.

Doug VanDegrift, Chief Financial Officer and Chief Compliance Officer, reviews the accounts of each of the Funds on a quarterly basis. Mr. VanDegrift, in his role as Chief Financial Officer and Chief Compliance Officer, also reviews the Funds' accounts whenever a determination is made as to a distribution or a capital call.

Linden furnishes to investors on behalf of the Funds the following written reports: (i) unaudited financial statements for the first three quarters of each fiscal year within 45 days of each quarter's close; (ii) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Stability Board ("FASB"), accompanied by a report of the independent certified public accountant, within 120 days of the fiscal year end. On a quarterly basis, Linden performs a valuation analysis of each Fund-held portfolio company and also provides limited partners with an individual statement of account. On a quarterly basis, the Firm also provides limited partners with unaudited reports providing a narrative summary of the status of each portfolio company held by a Fund. The Firm also has contact with investors (e.g., personal visits, telephone, email) throughout the year as requested or conditions warrant.

Upon request, certain investors receive additional information and reporting that other investors do not receive. Further, in the course of conducting due diligence or otherwise, Fund investors periodically request information pertaining to their investments. Linden responds to these requests, and in answering these requests provides information that is not generally made available to other Fund investors who have not requested such information.

Item 14 – Client Referrals and Other Compensation

As described in Item 5 above, Linden receives out of pocket expense reimbursements and compensation in the form of fees from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain services that Linden believes will ultimately enhance the value of the companies and benefit the Funds and their investors. Such fee arrangements can present potential conflicts of interest and provide Linden with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this conflict, an allocable portion of such benefits

received by Linden or its employees are offset in part against the Management Fee paid by a Fund, except for any fees earned by Operating Partners or the Operations Group, as further described in Item 5 above and in detailed in each Fund's Governing Documents.

When raising capital for a new Fund, Linden typically engages the services of a registered broker-dealer to serve as placement agent for Fund units. Fees for the placement agent are generally a fixed or retainer fee. Placement agent fees are paid by the Funds and any such fees paid offset the Management Fee on a dollar-for-dollar basis.

Item 15 – Custody

The Advisers Act Rule 206(4) (the “Custody Rule”) requires that pooled investment vehicles advised by Linden either undergo an annual audit pursuant to GAAP by an auditing firm registered with and subject to examination by the Public Company Accounting Oversight Board (“PCAOB”) or be subject to a surprise custody examination, also by a PCAOB registered and inspected auditing firm. Linden is deemed to have custody of the Funds’ assets because of its affiliation with each Fund’s General Partner and the General Partners’ ability to deduct fees from investor accounts. In order to comply with the Custody Rule, Linden has elected to undergo an annual GAAP financial statement audit by a PCAOB registered and inspected auditing firm for each of its Fund vehicles over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 120 days of the fiscal year end. Investors in the Funds should carefully review such financial statements.

Linden does not, however, accept physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly sent or wired to each Fund’s custodial bank accounts. Linden receives monthly or quarterly statements from all of its custodians on behalf of the Funds. For more information about Linden qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

Linden and its General Partners have discretionary authority based on the Governing Documents with each Fund to buy and sell securities or other investments on behalf of the Funds and to determine the amount of such investments to be bought and sold. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant General Partner, and not to investors in the Funds individually. The terms upon which Linden serves as an investment manager of a Fund are established at the time each Fund is established and are set out in the Governing Documents of each Fund.

To become an investor in a Linden Fund, an investor must execute a subscription agreement and a limited partnership agreement with the Fund. Such documents generally contain a power of attorney that grants Linden or its General Partner certain powers related to the orderly administration of the affairs of the Funds. Once an investor executes these documents, with limited exceptions, such as

certain conflicts of interest as discussed elsewhere in this Brochure, Linden is not required to contact an investor prior to transacting any business.

Generally, Linden's only restrictions with respect to managing a Fund, such as the type of securities in which a Fund may invest, will be contained in the relevant Fund's Governing Documents. However, an investor can seek to impose limitations on Linden's authority through a side letter agreement and Linden and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. Linden's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Such limitations will be evidenced in both the limited partner's limited partnership agreement with the Firm and in a side letter agreement that must be presented to Linden in writing and agreed to by Linden and such investor. Other investors may be provided with notice regarding such side letter agreements but are not given consent rights over such agreements.

Item 17 – Voting Client Securities

By virtue of the applicable Governing Documents, Linden has the authority to vote proxy statements on behalf of the Funds. The majority of "proxies" received by Linden, however, are written shareholder consents or similar instruments for private companies owned by the Funds. As such, Linden has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Linden's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. Linden generally believes its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, Linden's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in Linden's proxy voting policy. Investors in the Funds cannot direct how Linden votes proxies or shareholder consents nor is Linden required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by Linden often sit on the boards of portfolio companies to which Linden provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. Linden does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

Linden will provide a copy of its proxy voting policy to any existing or prospective investor by contacting its Chief Compliance Officer, Doug VanDegrift, at (312) 506-5600. Investors can also obtain information from the Firm, free of charge, about how Linden voted any previous public proxies, if any.

Item 18 – Financial Information

Linden does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance, has no financial commitment reasonably likely to impair its ability to meet contractual and fiduciary commitments to the Funds or investors and has not been the subject of a bankruptcy petition.