

**FIRM BROCHURE
(PART 2A OF FORM ADV)**

SK Capital Partners, LP

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March 29, 2019

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of SK Capital Partners, LP (“SK Capital” or the “Firm”). Unless otherwise specified, references herein to “SK Capital” or the “Firm” include SK Capital Partners, LP and its affiliated investment advisers, SK Capital Management IV, LP (the “Fund IV Management Company”) and SK Capital Management V, LP (the “Fund V Management Company”).

If you have any questions about the contents of this Brochure, please contact Andrew Jenkinson, the Firm’s Chief Compliance Officer, at (646) 442-2422 or ajenkinson@skcapitalpartners.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority. SK Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding SK Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

SK Capital filed its most recent annual amendment on March 23, 2018. Since its most recent annual amendment, SK Capital has updated this Brochure to reflect the addition of a new Chief Compliance Officer, new investment vehicles, and to update the descriptions of material risks, fees and compensation, potential conflicts of interest and the business practices of SK Capital and its affiliates.

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ITEM 4 – ADVISORY BUSINESS

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| Item 4.A | <p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p><u>Description of Advisory Firm</u></p> <p>SK Capital Partners, LP (“SK Capital” or the “Firm”) is a New York based investment management firm with significant experience driving growth and operational improvement in the Firm’s middle market focus sectors. SK Capital’s focus sectors are specialty materials, chemicals and healthcare businesses and the Firm’s Managing Partners collectively have substantial operating and investment experience within these sectors.</p> <p>The Firm and its affiliated registered investment advisers, SK Capital Investment II, LLC (“Fund II GP”), SKCI II Blue AIV-GP, L.P. (“Blue II GP”), SK Capital Investment III, LLC (“Fund III GP”), SK Capital Investment IV, L.P. (“Fund IV GP”), SKCI III Glades AIV-GP, LP (“Glades GP”), SKCI III Blue AIV-GP, LP (“Blue III GP”), SKCP IV Groundhog Co-Invest GP, L.P. (“Groundhog IV GP”), SKCP IV Boost Co-Invest GP, L.P. (“Boost IV GP”), SKCP IV Invictus Co-Invest GP, L.P. (“Invictus IV GP”) SK Capital Investment V, L.P. (“Fund V GP”), SK Capital Overage Investment V, L.P. (“Fund V Overage GP”) SKCP Mohawk Co-Invest GP, L.P. (“Mohawk GP”, together with Fund II GP, Blue II GP, Fund III GP, Fund IV GP, Glades GP, Blue III GP, Groundhog IV GP, Boost IV GP, Fund V GP and Fund V Overage GP the “General Partners”), SK Capital Management IV, LP (the “Fund IV Management Company”) and SK Capital Management V, LP (the “Fund V Management Company” together with the Fund IV Management Company, the General Partners, the “Affiliated Advisers,” and the Affiliated Advisers together with SK Capital, the “Adviser”) provide discretionary investment advisory services, advising and managing the investment and reinvestment of assets for investment funds privately offered to qualified investors in the United States and elsewhere.</p> <p>The Adviser’s clients include the following (each, a “Fund,” and together with any future private investment funds to which the Adviser or its affiliates provide investment advisory services, “Funds”):</p> <ul style="list-style-type: none"> • SK Capital Partners II, L.P. (“Fund II”) • SKCP II Blue AIV, L.P. (“Blue II AIV”) • SKCP II Spice AIV, L.P. (“Spice II AIV”) • SKCP II Angel AIV, L.P. (“Angel II AIV”) |
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- SKCP II Dionysus AIV, L.P. (“Dionysus II AIV”)
- SKCP II Groundhog AIV, L.P. (“Groundhog II AIV”)
- SK Capital Partners III, L.P. (“Fund III”)
- SKCP III Glades AIV, LP (“Glades AIV”)
- SKCP III Blue AIV, LP (“Blue III AIV”)
- SKCP III Spice AIV, LP (“Spice III AIV”)
- SKCP III Angel AIV, LP (“Angel III AIV”)
- SKCP III Dionysus AIV, L.P. (“Dionysus III AIV”)
- SKCP III Groundhog AIV, L.P. (“Groundhog III AIV”)
- SKCP III Glades Co-Invest AIV, L.P. (“Glades Co-Invest AIV”)
- SKCP III Spice Co-Invest AIV, L.P. (“Spice Co-Invest AIV”)
- SK Capital Partners IV-A, L.P. (“Fund IV-A”)
- SK Capital Partners IV-B, L.P. (“Fund IV-B,” and together with Fund IV-A, “Fund IV”)
- SKCP IV Groundhog Co-Invest, L.P. (“Groundhog IV Co-Invest”)
- SKCP IV Boost Co-Invest, L.P. (“Boost IV Co-Invest”)
- SKCP IV Invictus Co-Invest, L.P. (“Invictus IV Co-Invest”)
- SK Capital Partners V-A, L.P. (“Fund V-A”)
- SK Capital Partners V-B, L.P. (“Fund V-B,” and together with Fund V-A, “Fund V”)
- SK Capital Partners Overage Fund V-A, L.P. (“Overage Fund V”)
- SKCP Mohawk Co-Invest, L.P. (“Mohawk Co-Invest”)
- SKCP Mohawk PE Co-Invest, L.P. (“Mohawk PE Co-Invest”)

Fund II GP is the general partner of Fund II. In addition, Fund II GP is the general partner of a limited partnership that, together with Fund II, is an investor in a portfolio company of Fund II. Blue II GP is the general partner of Blue II AIV, Spice II AIV, Angel II AIV, Dionysus II AIV and

Groundhog II AIV, Blue II AIV, Spice II AIV, Angel II AIV, Dionysus II AIV and Groundhog II AIV (together, the “Fund II Alternative Investment Vehicles”) are alternative investment vehicles formed, after the investment of all of the uncommitted capital of Fund II into Fund III at the initial closing of the latter, for the purpose of investing in certain portfolio companies of Fund III. Each Fund II Alternative Investment Vehicle has invested all of its assets in the corresponding Fund III Alternative Investment Vehicle (as defined below). For the sake of clarity, unless otherwise indicated, references herein to Fund II include the Fund II Alternative Investment Vehicles.

Fund III GP is the general partner of Fund III. Glades GP is the general partner of Glades AIV and Glades Co-Invest AIV. Blue III GP is the general partner of Blue III AIV, Spice III AIV, Angel III AIV, Dionysus III AIV, Spice Co-Invest AIV and Groundhog III AIV. Glades AIV, Blue III AIV, Spice III AIV, Angel III AIV, Dionysus III AIV and Groundhog III AIV (together, the “Fund III Alternative Investment Vehicles”) are alternative investment vehicles formed for the purpose of investing in certain portfolio companies of Fund III. Glades Co-Invest AIV and Spice Co-Invest AIV (together, the “Fund III Co-Invest AIVs”) are co-investment vehicles formed for the purpose of co-investing alongside Fund III in certain portfolio companies of Fund III. For the sake of clarity, unless otherwise indicated, references herein to Fund III include the Fund III Alternative Investment Vehicles and the Fund III Co-Invest AIVs.

Fund IV GP is the general partner of Fund IV. Groundhog IV GP is the general partner of Groundhog IV Co-Invest. Boost IV GP is the general partner of Boost IV Co-Invest. Invictus IV GP is the general partner of Invictus IV Co-Invest. Groundhog IV Co-Invest, Boost IV Co-Invest and Invictus IV Co-Invest (together, the “Fund IV Co-Invest AIVs”) are co-investment vehicles formed for the purpose of co-investing alongside Fund IV in certain portfolio companies of Fund IV. For the sake of clarity, unless otherwise indicated, references herein to Fund IV include the Fund IV Co-Invest AIVs.

Fund V GP is the general partner of Fund V. Fund V Overage GP is the general partner of Overage Fund V, a vehicle formed to invest in one or more sizeable transactions alongside Fund V. Mohawk GP is the general partner of Mohawk Co-Invest and Mohawk PE Co-Invest. Mohawk Co-Invest and Mohawk PE Co-Invest (together, the “Fund V Co-Invest AIVs”) are co-investment vehicles formed for the purpose of co-investing alongside Fund V in a certain portfolio company of Fund V. For the sake of clarity, unless otherwise indicated, referenced herein to Fund V include the Fund V Co-Invest AIVs.

The Adviser uses the collective operating and investment experience of its Managing Partners to provide advice to each Fund on how to generate long-

term value for its limited partners by leveraging and enhancing the management and operating capabilities of the portfolio companies in which it invests. This includes advising each Fund on augmenting management talent and processes to drive business improvement, driving revenue growth, improving operating efficiency, improving management of working capital, and completing strategic acquisitions and divestitures. Prudent use of leverage is also a critical component of the Adviser's investment management strategy, as it provides management teams the appropriate degree of flexibility to address each business' unique constraints, implement operational improvements, and pursue growth and acquisition plans. Although each Fund incorporates leverage into the capital structures of its portfolio companies, whether at the time of the initial investment or subsequently through recapitalizations, doing so is not intended to be a primary source of value creation.

Management Team and Principal Owners

Dr. Barry B. Siadat co-founded SK Capital in 2007 and is a Managing Partner. Prior to SK Capital, Dr. Siadat was a Managing Director of Arsenal Capital Partners from January 2001 to April 2007, where he served on the Operating Committee and focused on the firm's investments in specialty materials and chemicals. While at Arsenal, he was the Chairman of the Board of Arsenal portfolio companies Rutherford Chemicals, Reilly Industries, Sermatech International, Velsicol Chemical, and TallyGenicom, and served on the Board of Directors of Vertellus Specialties and Interdynamics. Prior to Arsenal, Dr. Siadat held senior management positions at AlliedSignal/Honeywell International, including Corporate Vice President and Chief Growth Officer, Vice President of Technology and Engineering, and President of Honeywell's Avient Technologies subsidiary. Prior to AlliedSignal, Dr. Siadat was Vice President of Corporate Technology at W.R. Grace, a \$7.5 billion specialty chemicals and health care company. Dr. Siadat holds a B.S. from the University of Wisconsin, and an M.S. in Polymer Science and Engineering and Ph.D. in Chemical Engineering from the University of Massachusetts, Amherst. Dr. Siadat is Chairman of the Board of Aristech Acrylics and Ascend Performance Materials.

Jamshid Keynejad co-founded SK Capital with Dr. Siadat (together, the "Founding Partners") and is a Managing Partner. Mr. Keynejad throughout his career has acted as a principal and owner with extensive operating experience in manufacturing, distribution, commercial and residential housing development, specialty healthcare and service-related industries both in the U.S. and overseas. Prior to forming SK Capital he led numerous investments, the most recent being Signet Diagnostic Imaging Services Group, a leading provider of medical imaging services. Mr. Keynejad received his BSE in mathematics from London University. Mr. Keynejad

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| | <p>serves on the Board of Directors of Aristech Acrylics and Ascend Performance Materials.</p> <p>The principal owners of SK Capital, the Fund IV Management Company, and the Fund V Management Company are the Founding Partners.</p> <p>Since the Firm’s inception, the Firm’s management has expanded with three additional Managing Partners: Jack Norris, Aaron Davenport, and Jim Marden (together with the Founding Partners, the “Managing Partners”). Four of five Managing Partners were previously senior members of Arsenal Capital. Certain of the other Managing Partners own profits interests in, and/or otherwise have made a commitment to, Fund II. All of the uncommitted capital of Fund II was invested in Fund III at the initial closing of the latter.</p> <p>The Adviser is under contract to each of the Funds to provide investment management services with the applicable General Partner serving as such Fund’s general partner. The Firm’s Managing Partners own a majority of the capital and profits interests in the General Partners.</p> |
| Item 4.B | <p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>The Adviser provides discretionary investment management services, advising and managing the investment and reinvestment of assets for the Funds. Each Fund offers limited partner interests only to certain qualified persons, and admission to a Fund is offered only via a “private offering” (i.e., is not open to the general public.) Fund interests are sold only to qualified persons who are “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”).</p> <p>Additionally, from time to time and as permitted by the relevant limited partnership or other operating agreement of a Fund (each, an “LPA”), the Adviser expects to provide (or agrees to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, the Adviser’s personnel and/or certain other persons associated with the Adviser and/or its affiliates. Such co-investments often involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may</p> |

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| | <p>purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and the Adviser generally will require the co-investor or co-invest vehicle to reimburse the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.</p> <p>Outside of such services to the Funds, the Adviser offers no other advisory services. The Adviser does not perform any type of financial planning, quantitative analysis, tax planning or market timing services.</p> <p>Specific details relating to the advisory services provided to the Funds, including details relating to fees, liquidity rights and risks, among others, are fully disclosed in each Fund's, as applicable, confidential Private Placement Memorandum or other offering documents (each, an "Offering Memorandum") and the investment management agreement pursuant to which the Adviser provides investment advisory services to each Fund (each, an "Investment Management Agreement," and together with the applicable Offering Memorandum and LPA, the "Governing Documents" of each Fund).</p> |
| Item 4.C | <p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.</p> <p>The Adviser provides investment advice only to the Funds. Because the Funds have highly similar investment strategies, the question of tailoring the Adviser's advisory services to the individual needs of limited partners or accepting limited partner-imposed investment restrictions is not relevant.</p> <p>The Adviser, as part of the advisory services it provides to each Fund, assists each General Partner as requested in negotiating side letters or similar agreements ("Side Letters") on behalf of such Fund with certain Fund limited partners. Such Side Letters have the effect of establishing additional rights or altering or supplementing the terms of the Governing Documents of the applicable Fund-sponsored investment vehicle with respect to one or more such limited partners in a manner more favorable to such limited partners than those applicable to other limited partners. These additional rights include but are not limited to: rights related to financial reporting and disclosure, due diligence oversight, fee transferability rights,</p> |

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| | excuse rights, co-investment rights, consent rights and/or other rights permitted in the applicable General Partner's discretion. |
| Item 4.D | <p>If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>The Adviser does not participate in wrap fee programs.</p> |
| Item 4.E | <p>If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non- discretionary basis. Disclose the date "as of" which you calculated the amounts.</p> <p>Note: Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E</p> <p>As of the date hereof, the Adviser invests and manages approximately \$4.688 billion in client assets on a discretionary basis. The Adviser does not and does not plan to manage any client assets on a non-discretionary basis.</p> |

ITEM 5 – FEES AND COMPENSATION

Disclaimer applicable to all sub-items hereto: Limited partners in the Funds should refer to the applicable Fund's Governing Documents for a complete and detailed understanding of how the Adviser is compensated for its advisory services. The information contained herein is a summary and is qualified in its entirety by the Funds' Governing Documents.

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| Item 5.A | <p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>Note: If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Investment Company Act").</p> <p>The Adviser is compensated by each Fund based on the provisions of the Investment Management Agreement that was negotiated between the Adviser and such Fund. Limited partners and prospective limited partners in each Fund should refer to the applicable Offering Memorandum for a detailed description of the fees. The principal fee is a management fee that is based on the limited partners' aggregate capital commitments. In addition, the Adviser receives compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds.</p> <p>Certain LPAs permit the Adviser to waive or agree to reduce all or a portion of the management fees to be paid by a Fund, and require that such Fund call capital in the amount of such waived fees to be invested on behalf of the applicable General Partner ("Waiver Contribution") in satisfaction of a portion of the latter's capital commitment to such Fund, effectively reducing the amount of capital such General Partner would otherwise be required to contribute to the Fund. Waived management fees are not subject to management fee offsets. The amount of such waived management fees has the potential to be significant, and it is possible that management fee offsets will not be fully realized by a Fund's limited partners due to waived management fees and/or timing of receipt of compensation subject to offsets, resulting in a net additional benefit to the Adviser.</p> <p>Because, as a result of Waiver Contributions being made and invested on the Adviser's behalf, the Adviser invests capital alongside a Fund and its limited partners, this form of compensation may be distinguished from performance-based compensation that is considered to create a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Per SEC Rule 205-3, performance fees based upon appreciation or growth in a client account strictly require prior written</p> |
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| | <p>approval from the client. While the Adviser does not believe the Rule applies to Waiver Contributions, nevertheless it has secured the agreement of each Fund to the same as reflected in each Fund's LPA. The Chief Compliance Officer is responsible for ensuring such arrangements are established in accordance with that Rule. Although they are not clients of the Adviser, nevertheless for purposes of the Waiver Contributions, the limited partners of each Fund are provided with clear disclosure as to how the Waiver Contributions operate in each Fund and any risks associated with such Waiver Contributions.</p> <p>The Adviser is permitted to exempt certain investors in the Funds from payment of all or a portion of management fees and/or carried interest, including the Adviser and any other person designated by the Adviser. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an SK Capital professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of management fees and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant LPA, the Adviser has the right to permit investors, affiliated with the Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees or carried interest.</p> <p>The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant LPA or Offering Memorandum, over the term of the relevant Fund, and investors are generally not permitted to withdraw or redeem interests in the Funds.</p> <p>Employees of the Firm generally receive salaries and other compensation derived from, and in the case of the Managing Partners, including a portion of, the Management Fee, carried interest or other compensation received by the Adviser or its affiliates. Certain former employees may be entitled to receive compensation derived from, and in certain cases including a portion of, carried interest or other compensation received by the Adviser or its affiliates.</p> |
| Item 5.B | <p>Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.</p> <p>The Adviser bills each Fund for and is paid the management fee quarterly in advance.</p> |
| Item 5.C | <p>Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund</p> |

expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Each General Partner will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including employees' salaries, rent, utilities, etc.

In addition to the applicable management fee, each Fund will pay all other costs and expenses of such Fund that are not reimbursed by portfolio companies (which reimbursements may be for travel and any other out-of-pocket expenses incurred in connection with the making, monitoring and/or disposing of prospective and/or actual portfolio company investments, including follow-on investments and refinancings), including, but not limited to, legal, auditing, consulting, financing, accounting, custodian, depository, transfer, registration and other similar fees and expenses; expenses associated with such Fund's financial statements, tax returns, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations; out-of-pocket expenses incurred in connection with transactions not consummated, including expenses relating to such transactions that have been offered to co-investors; expenses of such Fund's advisory board and annual meetings of such Fund's limited partners and any other meeting with any limited partner(s); insurance (including directors and officers insurance); any travel (including, where appropriate as determined by the relevant General Partner, the cost of using private air travel at a cost equal to the cost of first-class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; other expenses associated with the acquisition, holding and disposition of such Fund's investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against such Fund.

The Funds also bear their share of expenses (including, without limitation, rent, personnel costs and corporate expenses) relating to fund administrative and similar services performed by, or on behalf of, a Fund's holding companies, structuring vehicles or other entities maintained by the Fund, the General Partner(s), or their respective affiliates in connection with certain local jurisdictions' requirements. To the extent that brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In addition to management fees and carried interest, the Adviser and/or its affiliates receive transaction fees, monitoring fees and/or other compensation in connection with management and other services performed for portfolio companies of Funds and such additional

compensation will offset, in whole or in part, the management fees otherwise payable to the Adviser. The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates on the other hand.

As a matter of practice, the Adviser is typically paid portfolio company fees from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the management fees payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most, if not all, cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which may be significant.

Consultants

Additionally, as further described herein and in the applicable Offering Memorandum and/or LPA, the Adviser retains certain consultants (each, a “Consultant”) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Services provided by Consultants generally relate to the identification, acquisition, holding, improvement and/or disposition of portfolio companies, including operational aspects of such companies. Consultants may include individuals who serve in a management or policy-making position for one or more portfolio companies. Compensation received by Consultants may consist of cash fees and other types of compensation, including, but not limited to, transaction fees, profits or equity interests in one or more portfolio companies, or profits or equity interests in one or more Funds or General Partners. Consultant compensation typically has been determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the relevant Consultant and amounts charged by other providers for comparable services, but such compensation could in the future be calculated using other methods, including, but not limited to, methods based on a percentage of cash flows from the portfolio company, a percentage of the value of the portfolio company or the invested capital exposed to the portfolio company. No compensation received by Consultants will offset management fees. Consultants also generally will be reimbursed for certain travel and other costs in connection with their services, and such reimbursed amounts also will not offset management fees. The use of Consultants subjects the Adviser to conflicts of interest, as discussed herein.

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| | <p>To the extent that an expense is common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which is received by multiple Funds over time), it is the Adviser's practice to advance amounts related to such expense and receive reimbursement from the Funds to which such expense relates. While the Adviser does not expect to cause one Fund to pay an expense common to multiple Funds, in the unlikely event that this occurs, the Fund that pays such an expense will be reimbursed by the other relevant Fund(s) for their share of such expense, without interest. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund.</p> <p>As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Adviser's related policies and the relevant LPA(s) and/or Side Letter(s). Where a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such broken deal expenses.</p> |
| Item 5.D | <p>If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>As noted above, management fees are payable to the Adviser quarterly in advance.</p> |
| Item 5.E | <p>If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to the Adviser.</p> |
| Item 5.E.1 | <p>Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products</p> |

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| | <p>based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.</p> <p>Not applicable to the Adviser.</p> |
| Item 5.E.2 | <p>Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to the Adviser.</p> |
| Item 5.E.3 | <p>If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to the Adviser.</p> |
| Item 5.E.4 | <p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes</p> <p>Not applicable to the Adviser.</p> |

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

Item 6: If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

The General Partners of certain Funds receive distributions of a portion of the profits of such Funds, if any, as a “carried interest.” Limited partners and prospective limited partners in each Fund should refer to the applicable Offering Memorandum for a detailed description of the carried interest.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors.

ITEM 7 – TYPES OF CLIENTS

Item 7: Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

The Adviser presently provides investment advice only to the Funds. As such, it has only one type of client: private funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of the Adviser and its affiliates and members of their families, Consultants or other service providers retained by the Adviser.

The Funds include alternative investment vehicles established from time to time to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

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

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| Item 8.A | <p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.</p> <p><u>Investment Strategies</u></p> <p>The Adviser’s Managing Partners recommend investments in industries in which they have prior industry, operating and investing experience. An integrated operating and investment team (the “Management Team”), on an as needed basis and at the request of each Fund, coaches the existing management of each Fund’s operating portfolio companies and upgrades human capital to further drive business transformation. The Adviser also advises each Fund and the General Partners on how to influence operations of portfolio partners through board and voting control, corporate carve-outs and entrepreneurial transitions. More details on the present focus sectors are below:</p> <p>Specialty Materials and Chemicals: Specialty materials and chemicals are the high performance components of metals, alloys, plastics, fibers, ceramics and other composites essential to the production and functionality of numerous everyday products. The “specialty” nature of such materials and chemicals is characterized by differentiated technology, enhanced application know-how and specialized manufacturing processes required in their production as well as the need for customization of their optical, magnetic, electric, thermal, mechanical and physical properties.</p> <p>Healthcare: The Firm’s healthcare focus is related to healthcare as an end market for chemicals/materials as well as the historical sectors in which the Managing Partners have worked, operated and invested. Current sectors of interest within healthcare include Pharmaceuticals and Healthcare Services</p> <ul style="list-style-type: none"> • Pharmaceuticals: including active ingredients, drug delivery, services, specialty products, generics and tools and reagents • Healthcare services: including specialty laboratories, hospital outsourcing, distribution and logistics and provider services <p><u>Investment Criteria</u></p> <p>The Firm has an investment committee made up of the Managing Partners, who make all decisions concerning the advice to be given to the Funds regarding portfolio company investments (see Item 13.A).</p> |
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| | <p>However, it is the responsibility of the applicable General Partner to determine whether such investment opportunities are suitable for a Fund, subject to certain limitations spelled out in the applicable LPA.</p> <p><u>Due Diligence and Analysis</u></p> <p>Different members of the Adviser's Management Team bring strong functional experience to target opportunities that fit a specific profile, with a focus in specialty materials, chemicals and healthcare market transactions. This focus includes fundamentally sound but underperforming businesses, or businesses whose growth and operating complexities are not easily understood. The Adviser maintains flexibility in the types of investments it recommends, reviewing companies by company size, investment stage, financial health, geography, investment amount, type, and structure. It attempts to continually maintain manageable and controllable risks including through the conservative use of financial leverage. It provides advice and direction to each Fund during the entirety of the investment process, from sourcing to realization, ensuring integration and coordination of resources and focus on key value drivers.</p> |
| Item 8.B | <p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p>Business Risks</p> <p>Each Fund's investment portfolio will 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 that can result in substantial losses. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of such Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment.</p> <p>Future and Past Performance</p> <p>The performance of the Managing Partners' or the Adviser's prior investments is not necessarily indicative of a Fund's future results. While</p> |

each General Partner intends for the applicable Fund(s) to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. Among other factors, the past performance of individual portfolio investments does not reflect the management fees, carried interest, taxes, transaction costs and other expenses to be borne by the limited partners, which in the aggregate are expected to be significant. On any given investment, loss of principal is possible.

Other Activities

The Managing Partners and other employees of the Adviser will devote that portion of their time to the affairs of each Fund necessary for the proper performance of their duties. However, other investment activities of the Adviser are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of the Funds, including the Adviser's existing or future portfolio of investments, which may pose conflicts in the allocation of management resources. The Funds will have no interest in these other activities.

Concentration of Investments

Each Fund anticipates participating in a limited number of investments principally in the targeted industry sectors. As a result, each Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified. Since all of a Fund's investments cannot reasonably be expected to perform well or even return capital, for a Fund to achieve above-average returns one or a few of its investments must perform very well. There can be no assurance that this will be the case. In addition, limited partners have no assurance as to the degree of diversification of a Fund's portfolio investments, either by geographic region, asset type or domain. To the extent a Fund concentrates investments in a particular issuer, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Furthermore, if a Fund co-invests with other private equity funds, a limited partner may have exposure to portfolio investments through more than one fund. In circumstances where a General Partner intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Concentration of Investments in Select Sectors

Each Fund intends to concentrate its investments in the specialty chemicals, materials, healthcare and related industries. Concentration in select industries may involve risks greater than those generally associated with broadly diversified acquisition funds, including significant fluctuations in returns based on market perception of the selected industries. Instability, fluctuation or an overall decline within the specialty chemicals, materials, healthcare and related industries will likely not be balanced by investments in other industries not so affected. In the event that one or more of such sectors as a whole declines, returns to limited partners may decrease. Each Fund's portfolio companies will compete in this volatile environment. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing.

Proprietary Rights

Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the United States is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

Dynamic Investment Strategy

While each General Partner generally intends to seek attractive returns for the applicable Fund(s) primarily through making private equity investments as described herein, a General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant LPA(s). A General Partner may pursue investments outside of the industries and sectors in which the Managing

Partners have previously made investments or have internal operational experience.

Growth Equity Transactions.

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

Lack of Sufficient Investment Opportunities

Each Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk and more personnel than the General Partners, the Funds and their affiliates. The Adviser expects that competition for appropriate investment opportunities may increase, which may also require a Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to a Fund and/or adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on a Fund with respect to pricing of a transaction. For example, given the increasingly more competitive environment, the Adviser has found it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund or the ability to terminate the transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, the Adviser has found that competitors for investment opportunities are willing to offer seller-favorable terms in a

transaction, such as providing a “reverse break-up fee” and fund-level guarantees. In the event a financing-related closing condition is not available to a Fund or if a Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, such Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made.

Unspecified Investments

The limited partners of a Fund must rely upon the ability of such Fund’s General Partner and the Adviser to identify, structure and implement portfolio investments consistent with such Fund’s investment objectives and policies. A Fund may be unable to find a sufficient number of attractive opportunities that meet its investment objectives. If enough sufficiently attractive investments are not identified for a Fund, it is possible that such Fund will never be fully invested. However, a Fund’s limited partners generally will be required to pay management fees during such Fund’s investment period based on the entire amount of such limited partners’ commitments and other expenses as set forth in the applicable LPA.

Illiquidity; Lack of Current Distributions

Investment in a Fund requires a long-term commitment with no certainty of return. There most likely will be little or no near-term cash flow available to the partners. Many of the portfolio investments will be highly illiquid and there can be no assurance that a Fund will be able to realize returns on such portfolio investments in a timely manner. Consequently, dispositions of such portfolio investments may require a lengthy time period or may result in distributions in kind to the partners. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after the portfolio investment in a portfolio company is made. A Fund will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. In some cases, a Fund may be prohibited by contract from selling certain securities for a period of time. Even where a Fund holds freely tradable publicly traded securities, such Fund’s position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity when such Fund wishes to dispose of or reduce its position in such company by selling shares into the market.

Leveraged Investments

A Fund may make use of leverage by incurring debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, 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 will also result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund 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 a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which recently have been at or near historic lows), and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The short-term use of borrowings by a Fund also will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur borrowings on a joint and several basis with one or more other Funds and entities managed by the Adviser or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs borrowings (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Limited Transferability of Interests in the Fund

There will be no public market for interests in the Funds and none is expected to develop. Each limited partner will be required to represent

that it is a qualified investor under applicable securities laws and that it is acquiring its interest for investment purposes and not with a view to resale or distribution. Further, each limited partner must represent that it will only sell or transfer its interest with prior written consent from the applicable General Partner to a qualified investor under applicable securities laws and in a manner permitted by the applicable LPA and consistent with those laws. Voluntary withdrawals from a Fund will not be permitted. Consequently, limited partners may not be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in a Fund for an extended period of time.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund 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 partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the applicable LPA, including the value used to determine the amount of carried interest available to the applicable General Partner with respect to such investment.

Investment in Junior Securities

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

Reliance on the General Partner and Portfolio Company Management

Control over the operation of a Fund will be vested entirely with its General Partner and the Adviser, and a Fund's future profitability will depend largely upon the business and investment acumen of the Managing Partners. The loss or reduction of service of one or more of the Managing Partners could have an adverse effect on a Fund's ability to realize its investment objectives. Other than as expressly set forth in the applicable LPA, limited partners will have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend entirely on the actions of its General Partner and the Adviser. In addition, certain changes in its General Partner or the Adviser

or circumstances relating to its General Partner or the Adviser may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the applicable General Partner and the Adviser will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the applicable General Partner and the Adviser will be responsible for monitoring the performance of each portfolio investment and the Funds seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. The success of many of the Adviser's portfolio companies is heavily dependent on the management of such companies. There can be no assurance that the management team of a portfolio company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the portfolio investment is held. Further, the applicable General Partner will generally establish the capital structure of companies in which a Fund invests on the basis of financial projections for such companies. Projected operating results of a company in which a Fund invests normally will be based primarily on the judgment of the management team of such portfolio company. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be attained, and actual results may vary significantly from the projections. General economic factors, which are not predictable, can have a material adverse impact on the reliability of projections.

Minority Investments; Lack of Unilateral Control

A Fund may invest in minority positions of portfolio companies alongside other private equity funds. In such cases, such Fund will significantly rely on the existing management and co-investors, which may include representation of other financial investors with whom such Fund is not affiliated and whose interests may conflict with the interests of such Fund. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. If taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing of or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Handling of Mail

Certain Funds have a registered office in the Cayman Islands and mail received at that location will be forwarded unopened to the relevant Fund to be dealt with at the forwarding address supplied by the Fund to entity providing registered office services in the Cayman Islands. Notices and other communications intended for a General Partner may be delayed to the extent they are sent to a Fund's registered office in the Cayman Islands rather than to the General Partner's principal office, and none of the Funds, the General Partners or any of their respective partners, members, managers, directors, officers or service providers will bear any responsibility for any such delay. In particular, it is possible that the partners, members, managers, directors and officers of the General Partners and the Adviser will only receive, open or deal directly with mail that is addressed to them personally (as opposed to mail which is addressed just to a Fund), and that other personnel of the General Partners or the Adviser will handle such forwarded mail.

Co-Investments

The allocation of co-investment opportunities could be made to one or more persons for any number of reasons, which may not be in the best interests of a Fund or any individual limited partner. A Fund may 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-investor may at any time have financial difficulties, resulting in a negative impact on such investment, have economic or business interests or goals which are inconsistent with those of a Fund, or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party co-investor or partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Additionally, from time to time and as permitted by the relevant Governing Documents, the Adviser expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Adviser personnel and/or certain other persons associated with the Adviser and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and

other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer).

The Adviser has established, and may establish in the future, an investment vehicle to co-invest alongside a particular Fund to seek to enhance the investment opportunity set for such Fund by improving the probability of closing larger investment opportunities, potentially limiting certain risks associated with relying solely on a typical equity co-investment syndication process in the case of sizable transactions, and allowing for greater control of companies in which the relevant Fund and the co-invest vehicle invest. However, there is no guarantee that any such co-investment vehicle will ultimately enhance a Fund's investment opportunity set, and there can be no assurance that co-investment opportunities will be available for such co-investment vehicle. Limited partners who participate in such a co-invest vehicle may pay reduced economics or receive preferred allocations of their capital commitments with respect to the co-investment vehicle or corresponding Fund. There can be no assurance that a Fund's 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. Conflicts of interest may arise in the allocation of such co-investment opportunities.

Limited Operating History

Certain Funds have limited operating histories and are entirely dependent on their respective General Partners and the Adviser. Furthermore, there can be no assurance that such Funds' investments will achieve results similar to those attained by previous investments of the Adviser. In addition, any Fund's investments may differ from previous investments made by the Adviser in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Projections

Projected operating results of a portfolio company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustment to such projections made by the relevant General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received by the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may

be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments

Following its 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 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 any Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may 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) or may result in a lost opportunity for such Fund to increase its participation in a successful operation. Additionally, such 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 such Fund's ownership in a portfolio company if a third party invests in such portfolio company. In addition to certain of a Fund's portfolio investments, particularly those in "platform" phase, many need additional capital to sustain their working capital needs. If the capital provided by a Fund is not sufficient, or if such Fund is unable to provide additional capital, a portfolio company may have to raise further capital at a price unfavorable to existing investors, including such Fund. To the extent a portfolio company in which a Fund invested receives additional funding in subsequent financings and such Fund does not participate in such additional financing rounds, the interests of such Fund in such portfolio company would be diluted.

Claims Related to Improper Handling, Storage or Disposal of Hazardous Chemicals

Certain portfolio companies may use or produce hazardous chemical materials. The risk of accidental contamination or discharge and any resultant injury from these materials cannot be eliminated. The portfolio companies may be sued for any injury or contamination that results from their use or the use by third parties of these materials, and their liability may exceed any insurance coverage and their total assets.

Product Liability Claims; Product Recall

The sale of certain products of portfolio companies involves the risk of product liability claims and voluntary or government-ordered product

recalls. For example, certain of the products that the portfolio companies manufacture could be used in and around other chemical manufacturing facilities, highways, airports and other locations where personal injury or property damage may occur or could be used in certain consumer goods such as beverages, personal care products and medicinal applications. While portfolio companies attempt to protect themselves from product liability claims and exposures through adherence to standards and specifications and through contractual negotiations, there can be no assurance that such efforts will ultimately protect the portfolio companies from any such claims. A product liability claim or voluntary or government-ordered product recall could result in substantial and unexpected expenditures, affect consumer or customer confidence in the portfolio company's products and divert management's attention from other responsibilities. A product recall or successful product liability claim or series of claims against a portfolio company in excess of its insurance coverage and for which it is not otherwise indemnified could have a material adverse effect on its business, financial condition, results of operations or cash flows.

Regulatory Costs Relating to Portfolio Companies in Specialty Industrials Sectors

Each Fund anticipates investing in manufacturing and service-oriented portfolio companies in the chemical and specialty industrials sectors which are expected to be required to comply with numerous federal, state and local statutory and regulatory standards including, but not limited to, those related to air emissions, water discharge, waste disposal, the environment and safety and health. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs. Permits and approvals may be costly and/or time-consuming to obtain. Moreover, the adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon a portfolio company of a Fund and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

Chemical Regulatory Actions May Decrease Profitability

Several governmental entities have enacted, are considering or may consider in the future, regulations that may impact the ability of businesses in the specialty materials and chemicals sectors to sell certain chemical products in certain geographic areas. For example, in December 2006, the European Union enacted a regulation known as REACH, which stands for Registration, Evaluation and Authorization of Chemicals. This

regulation requires manufacturers, importers and consumers of certain chemicals manufactured in, or imported into, the European Union to register such chemicals and evaluate their potential impacts on human health and the environment. REACH and other similar regulatory programs may result in significant adverse market impacts on the affected chemical products. If a portfolio company fails to comply with REACH or other similar laws and regulations, it may be subject to penalties or other enforcement actions, including fines, injunctions, recalls or seizures, which would have an adverse effect on the relevant Fund's financial condition, cash flows and profitability.

Hazardous Chemical Regulations

Certain target portfolio companies may produce hazardous chemicals that require care in handling and use that are subject to regulation by many U.S. and non-U.S. national, supra-national, state and local governmental authorities. In some circumstances, these authorities must approve products and manufacturing processes and facilities before a portfolio company may sell some of these chemicals. To obtain regulatory approval of certain new products, it must be demonstrated to the relevant authority that the product is safe for its intended uses and that such product is capable of being manufactured in compliance with current regulations. The process of seeking approvals can be costly, time consuming and subject to unanticipated and significant delays. Approvals may not be granted on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain these approvals would adversely affect a portfolio company's ability to introduce new products and to generate revenue from those products. New laws and regulations may be introduced in the future that could result in additional compliance costs, bans on product sales or use, seizures, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution or sale of products and could increase customers' efforts to find less hazardous substitutes for products.

Regulatory Approvals for Healthcare Products

The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a healthcare industry company's products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration ("FDA") and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and

promotional activities. If a portfolio company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds.

Third-Party Reimbursements

In both the U.S. and foreign markets, sales of a healthcare product and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of pharmaceutical companies may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of newly approved health care products. There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Healthcare Regulation, Reimbursement and Reform

Certain industry segments in which the Funds intend to invest, including various segments of the healthcare industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be 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 a Fund 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 the healthcare industry are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which a Fund may invest.

Risk of Litigation

It is difficult to predict with certainty the cost of defense, of prosecution or of the ultimate outcome of litigation and other proceedings filed by or against portfolio companies in the specialty materials and chemicals sectors, including penalties or other civil or criminal sanctions, or remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm a Fund's portfolio companies. Litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, international trade, commercial arrangements, product liability, environmental, health and safety, joint venture agreements, labor and employment or other harms resulting from the actions of individuals or entities outside of the General Partners' or Adviser's control. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in a portfolio company's business and injunctions prohibiting its use of business processes or technology that are subject to third-party patents or other third-party intellectual property rights. Litigation based on environmental matters or exposure to hazardous substances in the workplace or from a portfolio company's products could result in significant liability for such portfolio company, which would have an adverse effect on a Fund's financial condition, cash flows and profitability.

Alternative Investment Fund Managers Directive

The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA: (a) such Fund and the Adviser may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in such Fund incurring additional costs and expenses; (b) such Fund and/or the Adviser may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in such Fund incurring additional costs and expenses or otherwise affect the management and operation of such Fund; (c) the Adviser may be required to make detailed information relating to such Fund and its investments available to regulators and third parties; and (d) the AIFMD may also restrict certain activities of such Fund in relation to EEA portfolio companies including, in some circumstances, such Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of

non-EEA funds to investors based in those jurisdictions, which may make it more difficult for such Fund to raise its targeted amount of commitments.

Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities

The United States, pursuant to the “Foreign Account Tax Compliance Act” or “FATCA” has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. The United Kingdom has entered into similar agreements with various jurisdictions. Other countries are also considering such agreements, and the OECD has developed a worldwide tax information exchange standard pursuant to which many countries have now signed multilateral agreements for the exchange of information. One or more of these information exchange regimes are likely to apply to a Fund and/or alternative investment vehicles, and may require a Fund’s General Partner to collect and share with applicable taxing authorities information concerning limited partners (including identifying information and amounts of certain income allocable or distributable to them). A limited partner’s failure to provide such information may result in withdrawal from a Fund and/or alternative investment vehicles. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity’s share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2019, gross proceeds of a disposition of stock, unless an exception applies.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes

There has recently been significant discussion 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 each Fund to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of recent 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 United States and global financial markets, may complicate or prevent a Fund’s efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may

invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Additionally, recently enacted U.S. federal income tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of the Adviser's senior professionals, employees, or other individuals associated with the Funds, the Adviser, or the General Partners who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds.

Moreover, legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect such Fund, its portfolio companies or partners. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. A Fund may invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects.

Non-U.S. Investments

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

respect to such Fund's income and possible non-U.S. tax return filing requirements for such Fund and/or its partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Further, non-U.S. investment in securities of companies in certain of the countries in which a Fund may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude non-U.S. investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of a Fund. While regulation of non-U.S. investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by non-U.S. investors and non-U.S. currency. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by such Fund, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain countries where such Fund invests or in other jurisdictions.

Bridge Financings

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

Hedging Arrangements

A General Partner may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging

arrangements, which may be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty’s inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements

U.S. Dollar Denomination of Interests

Interests are denominated in U.S. dollars. Prospective investors subscribing for interests in any country in which U.S. dollars are not the local currency should note that changes in the rate of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions. Each prospective investor should consult with its, his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests.

Investments Longer than Term

A Fund may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that such Fund will be dissolved, either by expiration of such Fund’s term or otherwise. Although each General Partner expects that investments will be disposed of prior to winding up and termination or be suitable for in-kind distribution at the winding up and termination and each General Partner has a limited ability to extend the term of its Fund(s), a Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a

result of the winding up and termination. In addition, although upon the termination of a Fund, its General Partner will be required to use its best efforts to reduce to cash and cash equivalents such assets of such Fund as its General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the limited partners will occur.

Absence of Regulatory Oversight

While the Funds may, in some respects, be considered to be similar to investment companies, they are not registered, and do not intend to register, as such under the Investment Company Act or the laws of any other country or jurisdiction and, accordingly, the provisions of the Investment Company Act will not be applicable to the Funds.

Recycling; Reinvestment

Each General Partner has the right to generally recall certain capital returned or distributed to its Fund(s)' partners. Accordingly, during the term of a Fund, a partner may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a partner will remain subject to investment and other risks associated with such investments.

Disclosure of Information

Some of the Funds' limited partners may be public pension plans and listed investment vehicles, which are subject to public disclosure requirements. Such public disclosure requirements include the U.S. Freedom of Information Act ("FOIA"), governmental public records access laws, state and other jurisdiction's laws similar in intent or effect to FOIA, and any other similar statutory or regulatory requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Fund, or its investments, results from limited partnership interests being held by public investors, such Fund may be adversely affected. To the extent that a General Partner determines in good faith that, as a result of FOIA, any governmental public access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a limited partner or any of such limited partner's affiliates may be required to disclose information relating to the Fund, its affiliates and/or any entity in which an investment is made (other than certain fund-level, aggregate performance information), which disclosure could, for example, affect a Fund's competitive advantage in finding

attractive investment opportunities, the relevant General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such limited partner, as more fully described in the Governing Documents. Without limiting the foregoing, in the event that any party seeks the disclosure of information relating to a Fund, its affiliates and/or any entity in which an investment is made under FOIA or any such similar law, a General Partner may, in its discretion, initiate legal action and/or otherwise contest such disclosure, which may or may not be successful, and any expenses incurred therewith will be borne by a Fund. In addition, potential future regulatory changes applicable to investment advisors and/or the accounts they advise could result in the Adviser and/or a Fund becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

Significant Default Penalties

Each LPA provides for significant penalties and other adverse consequences in the event a limited partner defaults on its commitment or other payment obligations. In addition to losing its right to potential distributions from the applicable Fund, a defaulting limited partner may be forced to transfer its interest in such Fund for an amount that is less than the fair market value of such interest. If a limited partner fails to pay when due installments of its commitment to a Fund, and the contributions made by non-defaulting limited partners and borrowings by such Fund are inadequate to cover the defaulted capital contribution, such Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to its limited partners (including non-defaulting limited partners).

Dilution

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

Side Letters

The General Partners and/or the Funds may enter into Side Letters with one or more limited partners. These Side Letters may entitle a limited partner to make an investment in a Fund on terms other than those described in such Fund's Offering Memorandum and LPA. Any such terms, including with respect to (a) opting out of particular investments,

(b) reporting obligations of such Fund, (c) transfer to affiliates, (d) co-investment opportunities, (e) conditional withdrawal rights due to adverse tax or regulatory events, (f) consent rights to certain amendments to the applicable LPA or (g) any other matters described herein, may be more favorable than those offered to any other limited partners. If a General Partner and/or a Fund enter into a Side Letter entitling a limited partner to opt out of a particular investment or withdraw (with the consent of such General Partner) from such Fund, any election to opt out or withdraw by such limited partner may increase another limited partner's pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal).

General Partners' Carried Interest

Because a General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for a General Partner to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the General Partner might not otherwise have done so. Additionally, recently enacted U.S. federal income tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of the Adviser's senior professionals, employees, or other individuals associated with the Funds, the Adviser, or the General Partners who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds. In addition, given the longer holding period to achieve capital gains, the General Partners may be incentivized to hold assets for longer periods of time.

Transfer by General Partner

To the extent a General Partner, its partners, the Managing Partners and/or their respective affiliates commit to make an investment in a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the applicable LPA.

Public Company Holdings

A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Managing Partners, and increased costs associated with each of the aforementioned risks.

Distressed Investments

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

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses,

including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

General Economic and Market Conditions

The private equity industry generally and the success of a Fund's investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. A renewed downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect a Fund's profitability, impede the ability of such Fund's portfolio companies to perform under or refinance their existing obligations, and impair such Fund's ability to effectively exit its portfolio investment on favorable terms. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to turmoil in the markets (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of its portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a

Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

Director Liability

Each Fund will often obtain the right to appoint a representative to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately such Fund, 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.

Advisory Board

Certain Funds will have advisory boards, to which the applicable General Partner will appoint one or more limited partner representatives. The applicable LPAs will provide that to the maximum extent not prohibited by applicable law, none of the advisory board members shall owe any fiduciary duties to the applicable Fund or any other partner. In addition, representatives of an advisory board may have various business and other relationships with the Adviser and its partners, employees and affiliates. To the extent that such relationships exist, they potentially could influence the decisions of advisory board members.

Litigation

In the ordinary course of its business, the Funds may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a Fund's investments and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the relevant General Partner's and the Managing Partners' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Delayed Tax Information

The Funds may not be able to provide final tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Accordingly, limited partners

should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in a Fund.

Contingent Liabilities upon Disposition

In connection with the disposition of an investment, a Fund and the relevant General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Funds and, ultimately, their investors.

Indemnification

A Fund may be required to indemnify certain persons set forth in its LPA including, without limitation, its General Partner, the Adviser, its advisory board members and its General Partner's, and the Adviser's partners, members, managers, employees, agents, advisors, affiliates, and personnel for liabilities incurred in connection with the affairs of such Fund and otherwise as provided in the applicable LPA. Such liabilities may be material and have an adverse effect on the returns to the limited partners. For example, in their capacity as directors of portfolio companies, the partners or affiliates of a General Partner may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of a Fund would be payable from the assets of such Fund, including the unfunded commitments of the limited partners. If the assets of a Fund are insufficient to pay any such indemnification obligations, such Fund's General Partner may recall distributions previously made to the limited partners to pay such obligations (subject to certain limitations set forth in the applicable LPA). Such liabilities of a Fund may not be resolved prior to the date that such Fund will be dissolved, either by expiration of such Fund's term or otherwise. Furthermore, as a result of the provisions contained in the applicable LPA, the limited partners may have a more limited right of action in certain cases than they would in the absence of such limitations. It should be noted that a General Partner may cause a Fund to purchase insurance for such Fund, its General Partner, the Adviser and their employees, agents and representatives.

Liability of the Funds and the Partners

Each General Partner has unlimited liability for all debts and obligations of the Fund(s) for which it serves as general partner. Except as provided herein or otherwise, the total liability of a limited partner is limited to the amount of its commitment, except in certain circumstances. If a Fund is otherwise unable to meet its obligations, the limited partners may, under applicable law, be obligated to return to such Fund or to creditors whose interests have been injured distributions previously received by them pursuant to any rules regarding fraudulent conveyances. In addition, a limited partner may be liable under applicable bankruptcy law to return distributions made during a Fund's insolvency.

Conflicts of Interest Generally

The Adviser and its related entities engage in a broad range of advisory and non- advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of each Fund in an appropriate manner, as required by the relevant LPA, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by the Adviser through such Fund, subject to certain limited exceptions. Without limitation, the Adviser's principals currently manage, and expect in the future to manage, several other investments and investment vehicles similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments and investment vehicles. The Adviser's principals and the Adviser's investment staff will continue to manage and monitor such investments and investment vehicles until their realization. Such other investments and investment vehicles that the Adviser's principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, the Adviser's principals may and likely will focus their investment activities, at least in

part, on other opportunities and areas unrelated to such Fund's investments.

The Adviser attempts to resolve all conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such other investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts from an advisory board consisting of limited partners of the relevant Fund(s) and such other investment vehicles, or from each relevant Fund's limited partners themselves.

From time to time, the Firm expects to have the opportunity (but, subject to any applicable restrictions or procedures in the relevant LPA, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Firm will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on suitability and other factors similar to those employed in selection co-investors, and unless required by the relevant LPA, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Allocation of Time

The General Partners and the Managing Partners will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. In addition to advising the Funds, the Adviser and the Managing Partners manage other investments and will devote only so much of their time as is necessary or appropriate in connection with the Funds' activities. The Managing Partners may also serve as members of the boards of directors of various companies other than Fund portfolio companies. The possibility exists that such companies could engage in transactions which would be suitable for the Funds, but in which the Funds might be unable to invest. Conflicts may arise as a result of such other activities.

Cross-Fund Investments

From time to time, the Adviser will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Adviser. In determining which investment vehicles should participate in

such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser.

Allocation of Investment Opportunities

The Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's LPA, as well as factors including, but not limited to: investment restrictions and objectives (including those set forth in the relevant Fund's LPA, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limits, cash level (if any), applicable tax and regulatory considerations, lifecycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund may invest together with other Funds in the manner set forth in the relevant LPA and in accordance with the Adviser's allocation procedures. SK Capital will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above. Except as required by the relevant Governing Documents, the Adviser is not obligated to recommend any investment to any particular investment vehicle. Following such determination of allocation among Funds, the Adviser will determine if the amount of an investment opportunity in which one or more Fund(s) will invest exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' LPAs, Side Letters and the Adviser's procedures regarding allocation. Pursuant to the relevant Funds' governing documents, in certain cases the Adviser will offer, as a priority to other co-investors, excess investment opportunities to certain specified co-investors and/or co-investment vehicles sponsored by the Adviser. In certain of these cases, a Fund, pursuant to such Fund's governing documents, may act as a "backstop" for excess investment opportunities allocated to syndicated co-investors, which may incentivize the Adviser to prolong the syndication period and which may subject the relevant Fund to enhanced risks with respect to certain investments prior to their syndication. The Adviser's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or

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| | <p>other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; the Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and other factors that the Adviser considers important in connection with the specific transaction or investment.</p> <p>Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other investors.</p> <p>When and to the extent that employees and related persons of the Adviser and its affiliates make capital investments in or alongside certain Funds, the Adviser and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would be as favorable as it would have been had such conflict not existed.</p> <p>The Adviser's allocation of 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 may be more or less advantageous to some such persons relative to others. While the Adviser will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.</p> |
| | <p>Investment Opportunities Appropriate for Multiple Funds</p> <p>Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. To the extent a Fund holds securities that are different (including with respect to their relative seniority) than those held by another Fund, the Adviser and its affiliates may be presented with decisions when the interests of the two</p> |

Funds are in conflict. In such circumstances, the Adviser's duties to each Fund may conflict. The Adviser may in its discretion take steps to reduce the potential for adversity between the Funds, including causing one or both such Funds to take certain actions that, in the absence of such conflict, they would not take. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by the Adviser in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, the Adviser may face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Adviser may be subject to conflicts of interest, for example, between a Fund with a reimbursement obligation and a Fund seeking reimbursement. The Adviser intends to mitigate any potential conflicts by structuring such agreements in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Investments and Fees Common to Multiple Funds

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Additionally, such Funds or vehicles may have different expected termination dates and/or investment objectives (including return profiles) and the Adviser, as a result, may have

conflicting goals with respect to the price and timing of disposition opportunities. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all relevant Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the relevant LPA(s), the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses, other than, as discussed above, broken deal expenses, typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Adviser or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. 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-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances whether a particular expense has greater benefit to a Fund or the Adviser. The Funds have different expense reimbursement terms, including with respect to management fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

The General Partners generally cause the Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure the Funds, the General Partners, the Adviser, and/or their respective directors, officers, employees, agents, representatives, members of a Fund's advisory board and other indemnified parties, against liability in connection with the activities of a Fund. The Adviser and its affiliates will make judgments about the allocation of such premiums, fees, costs and expenses for such "umbrella" or other insurance policies among the Funds, other Adviser-sponsored vehicles, and/or the Adviser on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a

particular Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies than another Fund or vehicle.

Consultants

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) pay certain fees to Consultants and other providers of consulting services (including providers introduced or arranged by the Adviser and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset management fees as described herein. Consultants generally make use of SK Capital resources or otherwise are associated with the Adviser. Compensation received by Consultants may consist of cash fees and other types of compensation, including, but not limited to, transaction fees, profits or equity interests in one or more portfolio companies, or profits or equity interests in one or more Funds or General Partners. Additionally, portfolio companies may reimburse costs and expenses incurred by Consultants and, although historically it has not done so, SK Capital may, to the extent deemed appropriate, provide a Consultant with an opportunity to invest in the relevant portfolio company. Consultants also may have a limited partner interest in the General Partners and/or one or more Funds, may receive remuneration from the Adviser and/or its Funds or affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to a Consultant will not offset the management fee of any Fund as described herein. Although, when it retains a Consultant, the Adviser seeks to do so with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Consultants and service providers 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.

Material, Non-Public Information

As a result of the operations of the Adviser and its affiliates, the Firm frequently comes into possession of confidential or material non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such

information had not been known to it, might have been undertaken on account of applicable securities laws or the Adviser's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Valuation of Investments

Generally, the relevant General Partner will determine the value of all the of a Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the composition and management of such Fund's portfolio of investments. The exercise of discretion in valuation by a General Partner may 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 Risks

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other

items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Adviser or one of its service providers holding its financial or investor data, the Adviser, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under the Adviser's policies.

Other Fees

The General Partners and their affiliates may receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., transaction, directors', financial consulting, break-up and other similar fees).

Diverse Limited Partner Group May Have Conflicting Interests

A Fund's limited partners will be a diverse group that may have conflicting investment, tax and other interests with respect to their investments in such Fund. The conflicting interests of individual limited partners may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by a Fund's General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, its General Partner will consider the investment and tax objectives of such Fund and its partners as a whole, not the investment, tax or other objectives of any limited partner individually.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect such Fund, its portfolio companies or partners. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions.

In addition, an investment in a limited partnership involves complex tax considerations and there can be no assurance that a Fund will make

sufficient distributions to permit its limited partners to pay all of their tax liabilities resulting from the ownership of their interests. A Fund or its limited partners could be subject to tax in jurisdictions in which such Fund invests. In addition, income from investments in portfolio companies held by a Fund could be reduced by withholding or other taxes imposed by jurisdictions in which such Fund invests. There can be no assurance that tax credits may be claimed with respect to such taxes incurred.

Service Providers

A portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel expenses) incurred by the Adviser or such service providers in connection with their performance of services for such portfolio company. This discretion subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time has the potential to be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Adviser Recommendations

The Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser may have an incentive to recommend the related or other person (including a limited partner) because of its

financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, from time to time the Adviser may cause a Fund to enter into a transaction whereby a Fund purchases securities from, or sells securities to, other Funds managed by the Adviser, or co-investors or co-investment vehicles, subject to any restrictions or procedures set forth in the relevant Fund's LPA, including, where applicable, any requirement to obtain consent to such transaction. Such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represents what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' LPAs or otherwise in the sole discretion of the Adviser, the Adviser may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, the Adviser may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of such transaction to the relevant Fund(s) under then-current market conditions. The Adviser intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although the Adviser generally seeks to use reasonable efforts to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, the Adviser intends to cause the relevant other Funds to enter into a back-to-back guarantee,

indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

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

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the relevant Fund's LPA and any policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of the Adviser have, and are expected to continue to have, capital

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| | <p>investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.</p> <p>Group Discounts</p> <p>Portfolio companies owned by the Funds may be given the option to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates and/or other portfolio companies. Program participants would expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Any fees and/or third-party administration costs of such a program would be allocated among the relevant portfolio companies. The Adviser believes the potential for conflicts relating to any such arrangements would be mitigated by the anticipated cost savings to portfolio companies (which would be expected to be to the benefit of the applicable Fund(s)) that would result if the negotiated rates for goods and services were discounted relative to those widely available in the market.</p> <p>Tax Consequences</p> <p>No Fund will request any ruling from the Internal Revenue Service (the “IRS” or “Service”) as to any federal income tax consequences relating to the structure or operation of such Fund. As such, there can be no assurance that any tax position taken by a Fund will not be challenged by the Service. Certain federal income tax consequences of an investment in a Fund are described in the applicable Offering Memorandum.</p> |
| Item 8.C | <p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>Not applicable to the Adviser.</p> |

ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events. Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

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| Item 9.A | <p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person</p> <ol style="list-style-type: none">1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;3. was found to have been involved in a violation of an investment-related statute or regulation; or4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order <p>Not applicable.</p> |
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| Item 9.B | <p>An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was found to have caused an investment-related business to lose its authorization to do business; or 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority <ol style="list-style-type: none"> (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; (b) barring or suspending your firm's or a management person's association with an investment-related business; (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person. <p>Not applicable.</p> |
| Item 9.C | <p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> 1. was found to have caused an investment-related business to lose its authorization to do business; or 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. <p>Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you</p> |

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| | <p>must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204- 2(a)(14)(iii).</p> <p>Not applicable.</p> |
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ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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| Item 10.A | <p>If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to the Adviser.</p> |
| Item 10.B | <p>If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to the Adviser.</p> |
| Item 10.C | <p>Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.</p> <p>SK Capital is affiliated with other investment advisers registered with the SEC under the Advisers Act pursuant to SK Capital's registration in accordance with SEC guidance. These advisers are the General Partners. These affiliated investment advisers operate as a single advisory business together with SK Capital and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.</p> <p><u>Potential Conflicts of Interest</u></p> <p><u>Valuation</u></p> <p>Assets based on fair value methodology are valued based on management's judgment and estimation in accordance with the valuation policies and procedures of the Adviser's valuation methods, inputs and the pricing of events (such as an impairment, a sale, a recapitalization), that produce a realized or unrealized gain or loss that may be recognized are inherently subjective. See discussion of Valuation under Item 13.A for more details.</p> <p><u>Policies and Procedures</u></p> <p>The Adviser has adopted policies and procedures designed to address and mitigate potential conflicts of interest as it relates to the Adviser's regulatory requirements and contractual restrictions.</p> |

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| | These procedures will be revised as needed. See discussion of Code of Ethics under Item 11.A for more details |
| Item 10.D | <p>If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable.</p> |

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

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| <p>Item 11.A</p> | <p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any investor, client or prospective client upon request.</p> <p>As of February 1, 2012, the Adviser adopted a Code of Ethics designed to comply with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the “Advisers Act”). The Code of Ethics applies to the Adviser’s access persons and sets forth a standard of business conduct that takes into account the Adviser’s status as a fiduciary and requires access persons to place the interests of the Adviser’s clients above their own interests. The Code of Ethics requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of the Adviser’s Chief Compliance Officer. All access persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.</p> <p>Among other requirements, the Code of Ethics sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. The Adviser’s access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an access person. Such access persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.</p> <p>The Code of Ethics also addresses activities which may lead to or give the appearance of conflicts of interest or prohibited or unethical business conduct. This includes provisions relating to the protection of non-public information and a prohibition on insider trading. It also includes limitations on outside affiliations, de minimis limits on reporting gifts and business entertainment items, the reporting of political contributions, and the cited limitations and supervision of personal securities transactions and holdings in reportable securities.</p> <p>A copy of the Adviser’s Code of Ethics will be provided to any investor, client or prospective investor or client upon request.</p> |
| <p>Item 11.B</p> | <p>If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Examples: (1) You or a related person, as principal, buys securities from (or</p> |

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| | <p>sells to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.</p> <p>As noted in Item 4.A above, the Managing Partners of the Adviser also own a majority of the capital and profits interests in the General Partners. Consistent with industry practice and the expectations of the limited partners in the Funds, each General Partner is required to commit capital to the Funds for which it serves as general partner in an amount specified in the applicable LPA. See also Item 6, above.</p> <p>Moreover, the Adviser's related persons are subject to its policies and procedures regarding confidential or proprietary information, the information barriers and personal trading. In addition, the Adviser has additional policies and procedures relating to certain personal securities transactions by its personnel. These policies may extend to the Adviser's oversight of any outside solicitors or placement agents.</p> |
| Item 11.C | <p>If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>The Adviser and its affiliates may give advice and recommend the purchase or sale of securities and other financial instruments, or buy or sell such securities, and instruments for their own account. Potential conflicts of interest may arise in connection with the personal trading activities of the Adviser's employees. In particular, certain of the Adviser's Managing Partners, principals and employees (collectively, its "Personnel") currently do, and expect in the future to, carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and give advice and recommend securities to vehicles that differs from advice given to, or securities recommended or bought for, a Fund, even though their respective investment objectives may be the same or similar. Certain Personnel may also establish family offices to provide investment advisory, accounting, administrative and other services to their respective family accounts in connection with their personal investment activities unrelated to their investments in one or more Funds. Each of the family offices employs its own professional staff at its own expense, and each of them conducts its day-to-day operations independently of the Adviser and the Funds.</p> <p>The involvement of Personnel in these activities could give rise to potential conflicts between the personal financial interests of such Personnel and the interests of the Adviser's clients (for example, the Governing Documents</p> |

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| | <p>and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds). The Adviser has adopted certain procedures designed to mitigate some of these potential conflicts (for example, by requiring Personnel and their family members, friends and personal investment staff to refrain from making direct investments in portfolio companies that are controlled by one or more Funds or that are the subject of announced transactions involving Funds).</p> <p>In order to prevent such conflicts, the Adviser's Code of Ethics is designed to ensure that the personal securities transactions of the Adviser and its affiliates, officers and employees, and members of their families, do not conflict with transactions effected on behalf of any Fund. Employees of the Adviser must (i) place the interests of the Adviser's clients first, (ii) avoid taking inappropriate advantage of their positions within the Adviser, and (iii) conduct their personal securities transactions in full compliance with the Code of Ethics.</p> <p>As required by Rule 204A-1 of the Advisers Act, the Adviser requires its employees (i.e. access persons) to report their securities transactions on at least a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. The Adviser also restricts the personal trading of its employees. In particular, when applicable, the Adviser maintains a Restricted List containing the names of securities which employees are generally prohibited from trading. The Adviser also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. The Adviser's personnel are required to certify on an annual basis their compliance with such policies and procedures as well as the Code of Ethics.</p> |
| Item 11.D | <p>If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.</p> <p>Please refer to the responses in Items 11.A, 11.B, and 11.C.</p> |

ITEM 12 – BROKERAGE PRACTICES

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| Item 12.A.1 | <p>Describe the factors that you consider in selecting or recommending broker- dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p>1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p>Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <p>a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</p> <p>b. Disclose that you may have an incentive to select or recommend a broker- dealer based on your interest in receiving the research or other products or services, rather than on your clients’ interest in receiving most favorable execution.</p> <p>c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits), disclose this fact.</p> <p>d. Disclose whether you use soft dollar benefits to service all of your clients’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.</p> <p>e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.</p> <p>Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade</p> |
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| | <p>execution. Merely disclosing that you obtain various research reports and products is not specific enough.</p> <p>f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.</p> <p><u>Best Execution</u></p> <p>The Adviser's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. However, if in the future the Adviser purchases or sells publicly-traded securities, it will, in those circumstances, seek to achieve the "best price and execution." The SEC generally describes this process as a duty to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. While this duty generally begins with a requirement that the Adviser obtain the best price available for the securities in each transaction, the Adviser may take into account a number of factors, including a broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, availability of securities to borrow or short sales, and the value of research it provides.</p> <p>When executing a transaction in any investment with or for a Fund, the Adviser will take all reasonable steps to ensure that the counterparty is reliable and will monitor the quality of execution; and that the terms and circumstances of the transaction are the best available on the relevant market at the time of execution for transactions of the same size and nature.</p> <p>To the extent applicable, the Adviser's efforts in this area also include periodic reviews by investment professionals and the Chief Compliance Officer of the performance of broker-dealers. A copy of the written record of such reviews will be maintained by Chief Compliance Officer.</p> <p><u>Soft Dollars</u></p> <p>Not applicable. The Adviser, as a matter of policy, does not effect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for the Funds.</p> |
| Item 12.A.2 | <p>Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> |

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| | <p>a. Disclose that you may have an incentive to select or recommend a broker- dealer based on your interest in receiving client referrals, rather than on your clients’ interest in receiving most favorable execution.</p> <p>b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.</p> <p>Not applicable.</p> |
| Item 12.A.3 | <p>Directed Brokerage.</p> <p>a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.</p> <p>b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.</p> <p>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable.</p> |
| Item 12.B | <p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.</p> <p>As noted above, the Adviser does not anticipate engaging in significant public securities transactions. However, to the extent that the Adviser engages in any such transactions, from time to time, the Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched”</p> |

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| | <p>to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.</p> <p>When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a pro rata basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.</p> <p>Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to the Funds over time.</p> |
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ITEM 13 – REVIEW OF ACCOUNTS

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| Item 13.A | <p>Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.</p> <p><u>Investment Reviews</u></p> <p>The Adviser tailors its advisory services to the individual needs of its Funds and not to the individual needs of a Fund's limited partners. The Adviser does not advise the limited partners and assumes no obligations with respect to any limited partner.</p> <p>Portfolio reviews for each Fund are conducted at least quarterly by various investment professionals who are members of the investment committee and reported to the entire investment committee and the Chief Compliance Officer. As part of these reviews, the investment professionals monitor operations, overall performance, financial performance, and strategic direction of each portfolio company owned by each Fund.</p> <p><u>Valuation</u></p> <p>As a fiduciary, the Adviser has an obligation to ensure that each Fund's assets are valued appropriately in order to provide the most accurate reporting possible.</p> <p>The Adviser's valuation procedures are based on industry accounting and other industry standards. The Adviser values its investments at their fair value, in accordance with the Financial Accounting Standard Committee's Accounting Standards Codification ("ASC") Topic 820-10, "Fair Value Measurements."</p> |
| Item 13.B | <p>If you review client accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>Please refer to Item 13.A.</p> |
| Item 13.C | <p>Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.</p> <p>As part of the advisory services it provides to the Funds, the Adviser assists the General Partner of each Fund in providing certain reports to such Fund's limited partners in accordance with such Fund's obligations under the applicable LPA. Generally, Fund limited partners will receive quarterly unaudited reports of Fund performance and annual audited financial statements.</p> |

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| | <p>Each LPA requires the applicable General Partner to use its commercially reasonable efforts to send all limited partners within 90 days after the end of each fiscal year of the applicable Fund (subject to reasonable delays in the event of late receipt of any necessary information) an audit report including a balance sheet and statements of income and changes in partners' equity and changes in cash flows, prepared in accordance with U.S. generally accepted accounting principles, plus a schedule and summary description of the investments owned by such Fund at year end and a statement for each limited partner of its capital account and tax information necessary for completion of its tax returns.</p> |
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ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

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| Item 14.A | <p>If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p> |
| Item 14.B | <p>If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.</p> <p>Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.</p> <p>Not applicable.</p> |

ITEM 15 – CUSTODY

Item 15: If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Although the Adviser is deemed to have custody of the underlying assets of the Funds by virtue of its status as general partner of each Fund, the Adviser does not maintain physical custody of the Funds' assets. In compliance with Rule 206(4)-2 under the Advisers Act, the Adviser reasonably believes that all limited partners in the Funds will be provided with audited financial statements for the applicable Fund, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such Fund's fiscal years (i.e., generally by April 30).

Limited partners are urged to compare the account statements they receive from the administrator with the performance reports, if any, provided by the applicable General Partner.

ITEM 16 – INVESTMENT DISCRETION

Item 16: If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

As explained in Item 8.A, above, the Adviser advises each General Partner regarding all investment decisions to be made by the applicable Fund(s), but each General Partner retains full discretionary authority to manage and make investments for such Fund(s). There are no accounts which are sub- advised by either affiliated or non-affiliated portfolio managers.

ITEM 17 – VOTING CLIENT SECURITIES

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| Item 17.A | <p>If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>The Adviser has adopted the SK Capital Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how it will vote proxies, as applicable, for the Funds’ portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of a Fund, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund’s investors, for example, through the Managing Partners’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve the Adviser’s vote in a particular solicitation. The Adviser does not consider service on portfolio company boards by the Adviser’s personnel or the Adviser’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. If you would like a copy of the Adviser’s complete Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio companies, please contact Andrew Jenkinson, the Firm’s Chief Compliance Officer, at (646) 442-2422, and it will be provided to you at no charge.</p> |
| Item 17.B | <p>If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p> |

ITEM 18 – FINANCIAL INFORMATION

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| Item 18.A | <p>If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none">1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.2. Show parenthetically the market or fair value of securities included at cost.3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X. <p>Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.</p> <p>Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.</p> <p>Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.</p> <p>Not applicable.</p> |
| Item 18.B | <p>If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.</p> <p>Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance</p> |

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| | The Adviser is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. |
| Item 18.C | <p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p> |