

Item 1. Cover Page

General Catalyst Group Management, LLC

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**Part 2A of Form ADV: Firm Brochure
March 29, 2019**

This brochure provides information about the qualifications and business practices of General Catalyst Group Management, LLC. If you have any questions about the contents of this brochure, please contact us at 617-234-7000 or ADVinfo@generalcatalyst.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about General Catalyst Group Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure, dated as of March 29, 2019, is General Catalyst Group Management, LLC's first brochure. As a result, Item 2 is not applicable to General Catalyst Group Management, LLC.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means General Catalyst Group Management, LLC, a Delaware limited liability company together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services or receive advisory fees from the Funds. Such affiliates may or may not be under common control with General Catalyst Group Management, LLC, but possess a substantial identity of personnel and equity owners with General Catalyst Group Management, LLC. These affiliates may be formed for tax, regulatory, or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (“Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Adviser provides investment supervisory services to Funds that focus on early-stage and transformational investments, including through the Adviser’s executive-in-residence (“XIR”) program. The Adviser primarily targets investments in information technology companies in the consumer and enterprise sectors. While the Adviser’s deeply thematic investing for the Funds generally falls into these sectors and other information technology products and services categories, the Adviser also understands and anticipates that commercially significant new technology and other interesting developments will originate in spaces other than information technology. Therefore, the Adviser may also actively seek and pursue high-growth investments and other special opportunities in additional creative areas.

In accordance with the Funds’ respective investment objectives, investments are generally made in privately held companies located in the United States. The Adviser’s advisory services consist of: investigating, identifying, and evaluating investment opportunities; structuring, negotiating, and making investments on behalf of the Funds; managing and monitoring the performance of such investments; and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund, and to other advisory clients in accordance with an investment management agreement or analogous document (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements, or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “Organizational Documents”).

General Catalyst Group Management, LLC, is wholly owned by GC Management Partners, L.P., which is owned indirectly by General Catalyst Group Management Holdings, L.P. The Adviser has been in business since 1999. As of December 31, 2019, the Adviser manages a total of \$7,035,288,686 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund and its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies that, in certain circumstances, may reduce the Advisory Fees payable to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser generally receives from each such Fund an advisory fee (each, an “Advisory Fee”) typically calculated based on committed capital, remaining invested capital, or fair market value with respect to such Fund. Advisory Fees may be reduced during the life of a Fund. Advisory Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

Advisory Fees vary Fund by Fund, a portion of which may be payable quarterly in advance and a portion of which may be payable quarterly in arrears.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in such Fund’s Advisory Agreement and Organizational Documents received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. Additionally, certain investors, by virtue of their, or their affiliates, ownership interest in the Adviser, may be entitled to receive a percentage of the Advisory Fees. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund. Funds may pay different Advisory Fee rates and certain Funds do not pay Advisory Fees.

To the extent that directors’ fees, consulting fees, or other remuneration (such fees, “Other Fees”) from a portfolio company of a Fund are received by the Adviser, a Fund’s general partner and certain other affiliated entities, or the managing directors of the Adviser (“Managing Directors”), and subject to pro-rata if another Fund (including a Fund that does not pay Advisory Fees or

Carried Interest) also has an investment in the applicable portfolio company, such fees or other remuneration generally trigger an Advisory Fee offset (pursuant to which the Advisory Fee payable by the Fund would be reduced) subject to the provisions of the Fund's Organizational Documents. However, such offset provisions do not apply to (and therefore the Fund will not benefit from) fees or other remuneration received from portfolio companies of the Fund by other individuals who hold an interest in the Adviser or its affiliates or by other employees of or persons associated with the Adviser. Such offset provisions also do not apply (and therefore the Fund will not benefit from) fees or other remuneration received in cash (or sold or exchanged for cash) by the Adviser, the general partner, and certain other affiliated entities or a Managing Director in an amount that exceeds the remaining amount of Advisory Fees payable by the Fund to the Adviser or an affiliate. Other Fees may be substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto), or otherwise.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

Expenses

Fund Expenses

To the extent permitted by the Organizational Documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio investments or prospective portfolio investments, including, without limitation: all Fund expenses attributable to the organization of the Fund, its general partner, and any related parallel fund; all liquidation expenses of a Fund; any sales or other taxes (except as provided below); fees or government charges that may be assessed against a Fund; commissions, brokerage fees, finder's fees, or similar charges incurred in connection with the purchase or sale of securities (including any merger fees payable to third parties and whether or not any such purchase or sale is consummated); expenses of members of the advisory committee, including travel and travel-related expenses; fees and expenses (including travel and travel-related expenses) for consulting services, other than services of a nature that are customarily provided to venture capital funds by the general partners or management companies of such funds (provided that, for avoidance of doubt, any fees or expenses – including travel and travel-related expenses – for consulting services related to portfolio investments or prospective portfolio investments shall not be considered routine normal overhead and administrative operating expenses); the costs and expenses (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related, and other expenses) of hosting annual or special meetings of the Funds' investors, or otherwise holding meetings or conferences with the Funds' investors, whether individually or in a group; interest expense for borrowed money (if any) and any other fees or expenses associated with any credit facility for a Fund; all expenses relating to litigation and threatened litigation, investigation, or other proceeding involving a Fund, including indemnification expenses; travel and travel-related expenses related to the investigation of specific companies in connection with investment or potential investment transactions or related to the monitoring or disposition (or potential disposition) of portfolio investments; expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, tax, appraisal, valuation, research (including expert networks), legal, custodial, transfer, and registration services provided to a Fund, including in each case services with respect to the

proposed purchase or sale of securities by a Fund (whether or not any such purchase or sale is consummated); other due diligence expenses (such as market diligence or background checks) with respect to actual or proposed investments, whether or not consummated; other Dead Deal Costs (as defined below); premiums for liability insurance to protect a Fund, the general partner, the partners of the general partner, any service provider, the members of a Fund's advisory committee and any of their respective partners, members, managers, stockholders, officers, directors, employees, or agents in connection with the activities of the Fund, and any other persons serving on the boards of directors (or the equivalent) of portfolio companies at the request of the Adviser or a Fund; fees, costs, and expenses in connection with a Fund's legal and regulatory compliance with U.S. (federal, state or local) or non-U.S. laws or regulations (including, without limitation, any organizational and ongoing costs resulting directly or indirectly from marketing a Fund in the European Union under the European Union's Alternative Investment Funds Managers Directive if applicable, and the cost of any representative, distribution agent, or payment agent required in connection with or arising directly or indirectly from marketing or sale of interests in the Fund in non-U.S. jurisdictions); fees and expenses of third party administrators, including without limitation charges for office space and any travel and accommodation expenses related to non-United States entities formed for tax, regulatory, or similar purposes to hold investments by a Fund in one or more portfolio companies reasonably necessary or advisable for the maintenance and operation of such entities, or other overhead expenses in connection therewith; expenses associated with the preparation and delivery of a Fund's financial statements, tax returns, and other reports related to a Fund to one or more investors, governmental authorities, or self-regulatory organizations; and all other expenses properly chargeable to the activities of a Fund, including establishment of any "alternative investment vehicle." For purposes of this summary, "travel and travel-related expenses" include, without limitation, first class and business class, commercial and non-commercial transportation costs, accommodations, and meals.

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

Adviser Expenses

The Adviser will bear any expenses that relate to operating the Adviser that are not borne by the Funds as set forth above or in a Fund's Organizational Documents. In addition, any excess organizational expenses (i.e., the amount of expenses incurred in connection with the organization of a Fund that exceed a limit specified in such Fund's Organizational Documents) will be borne by the Adviser (either through Advisory Fee offset or otherwise).

Co-Investor and Co-Investment Vehicle Expenses

The Adviser from time to time provides opportunities to co-invest with a Fund to third parties, which may include (without limitation) the following: investors in the Funds (or persons or entities associated with investors), strategic investors who can add important business development relationships or other value to portfolio companies, venture capital and other investment firms and individuals from the Adviser's ecosystem, including (without limitation), domain experts, founders, entrepreneurs, strategic advisors, portfolio company executives, including XIRs (or other applicable individuals where the XIR program structure or similar structure has been implemented) ("Co-Investors"). In addition, the Adviser has in the past and may in the future permit certain Adviser Personnel (as defined in Item 11) to co-invest alongside a Fund. Co-investments may be made directly in the applicable portfolio company (including Newcos as defined and discussed in Item 8 below) or through co-investment vehicles formed by the Adviser or its affiliates for the purposes of making such co-investment.

In the event that a proposed co-investment opportunity in a new or existing portfolio company is not consummated but certain costs and expenses have been incurred by a Fund in pursuit of such investment opportunity, including (without limitation), legal, financial, travel, and other business diligence costs and expenses ("Dead Deal Costs"), such Dead Deal Costs generally will be paid solely by the applicable Fund and it is expected that any potential Co-Investors or co-investment vehicle will not bear any portion of such Dead Deal Costs.

If a co-investment does close, the portion of unreimbursed expenses incurred by the applicable Fund in connection with the ongoing monitoring of its investment in the applicable portfolio company and any other unreimbursed expenses incurred by the Fund with respect to such investment that are payable by the Co-Investors or any co-investment vehicle (if any) will be determined on a case-by-case basis; provided that, other than in the case of a co-investment vehicle, such costs and expenses generally will be paid solely by the Fund and it is not expected that any Co-Investors will bear any portion of such costs and expenses. In the case of a co-investment vehicle, unreimbursed transaction expenses in connection with a consummated investment and reasonably anticipated monitoring expenses (to the extent not reimbursed) would typically be shared between the Fund and a co-investment vehicle pro-rata based on the relative amounts invested to the extent practicable. Other than as provided in the prior sentence, the Adviser will have no obligation to cause Co-Investors or a co-investment vehicle to bear any costs or expenses incurred by a Fund or to bear any particular portion of such costs or expenses (and will have no obligation to pro rate or otherwise reduce the amount paid by a Fund in respect of any such costs or expenses to take into account the co-investment). In addition, in the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle.

Portfolio Company Expenses

Expenses of portfolio companies are paid by the applicable portfolio companies and are not borne by the Funds. Such expenses include (i) expenses of consultants engaged by the Adviser on behalf of a portfolio company, (ii) any expenses initially borne by the Adviser or a Fund and reimbursed by the portfolio company, and (iii) any other expenses incurred by the portfolio companies.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs, and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and whether certain fees, costs, and expenses should be allocated between or among Funds and other parties. Certain expenses will be incurred that are attributable to multiple Funds (including in connection with portfolio companies in which Funds have overlapping investments and in connection with the general operation or administration of such entities). The allocation of such expenses among such entities raises potential conflicts of interest.

Funds from time to time co-invest with other Funds in investment opportunities. In addition, certain Funds are established to facilitate the co-investment by Co-Investors alongside other Funds, either in a single investment opportunity or in all investment opportunities made by such other Funds. Any fees, Carried Interest or other compensation received by the Adviser or its affiliates from any Funds established to co-invest with other Funds will not offset the management fee payable by the applicable other Fund or otherwise benefit such other Fund or its investors.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's Organizational Documents or, to the extent not addressed in such Organizational Documents, as determined by the Adviser in its good faith but in its sole discretion, taking into account such factors that it determines to be relevant for a particular expense. If multiple Funds evaluate a potential investment that is not consummated, the Adviser will allocate Dead Deal Costs in accordance with each Fund's Organizational Documents or, to the extent not addressed in such Organizational Documents, the Adviser generally allocates the applicable Dead Deal Costs among such Funds based on the anticipated investment of each Fund. As discussed above, such Dead Deal Costs typically are not allocated to co-investment vehicles or other Co-Investors and will be paid solely by the applicable Fund(s).

Certain expenses (e.g., insurance premiums) will be incurred for the benefit of both the Adviser itself, on the one hand, and a Fund or Funds, on the other hand. Apportionment of such expenses involves a conflict of interest. To the extent not addressed in the Organizational Documents of a Fund, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

Carried Interest Payments

Please see Item 6 below regarding "Carried Interest" that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Funds, a portion of the profits of each such Fund is distributed to its general partner, if any, as “carried interest” (the “Carried Interest”) generally related to, and based on the investment performance of such Fund. Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no Carried Interest. Additionally, certain investors, by virtue of their ownership interest in the general partner of a Fund may be entitled to receive Carried Interest with respect to a Fund. Adviser Personnel generally invest in the Funds indirectly through the Funds’ general partners, and therefore will generally not pay Carried Interest with respect to their indirect investments in the Funds.

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) creates an incentive for the Adviser to disproportionately allocate time, services, and functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, and (ii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals (including, from time to time, certain XIRs), banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships, and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser seeks to: (i) identify and help entrepreneurs and executives build companies with the potential to develop breakthrough technologies and products; (ii) establish disruptive business models and transform industries; and (iii) invest in companies at clear inflection points. The Funds' investment strategies focus on early-stage and transformational investments.

The Adviser is committed to a disciplined investment approach that combines four primary elements:

- Element one: Thematically focus on information technology/high-growth sectors
- Element two: Focus on early-stage and transformational investments (including through its XIR program) Investing at key inflection points and identifying talented entrepreneurs and executives
- Element three: Active leadership and discipline
- Element four: Attractive deal characteristics

The Funds target investments primarily in information technology companies in the consumer and enterprise sectors with a focus on various defined themes, including but not limited to the following:

- *Conversational User Interfaces, Artificial Intelligence and Human-Assisted AI*: companies creating next generation consumer applications across a number of industries including, without limitation, fintech services, travel, insurance, and healthcare;
- *Emerging Platforms*: companies developing platforms for voice, virtual reality, drones, search, gaming and home services;
- *Changing Nature of Work*: companies focused on tech-enabled labor and recruiting marketplaces developing software driven matching and intelligence;
- *New Consumer Brands*: companies building online full stack consumer brands focused on contemporary products and targeting millennials;
- *Insurance*: companies focused on new direct-to-consumer distribution models, improving underwriting by leveraging new data sets, and developing mobile-first product designs;
- *Next-Generation Commerce*: companies enabling online payments and commerce and developing new online buying experiences;
- *Application Rewrites*: companies leveraging artificial intelligence, new user interfaces and add-in services with a focus on verticals, sales, support, and human resources;
- *Digital Health*: companies following Moore's Law opportunities and focusing on revenue from insurance companies;
- *Finding Value in Data*: companies leveraging artificial intelligence and analytics to sort, organize and interpret significant amounts of data (logs, IOT, medical, financial) and focused on enabling Python and R analyst communities; and

- *Cybersecurity*: companies developing new technologies to identify and prevent cyber threats.

While the Adviser's deeply thematic investing for the Funds generally fall into these and other information technology products and services categories, the Adviser also understands and anticipates that commercially significant new technology and other interesting developments will originate in spaces other than information technology.

Early-Stage Investments

The Adviser often will invest at the inception of a new idea by either hatching a company or investing at an early-stage of a company (generally a Series Seed, Series A, or Series B financing) sponsored by entrepreneurs. In hatched investments, the Adviser, on behalf of the Funds, either by itself or with an entrepreneur or an executive (including XIRs), creates the enterprise, formulates the idea and recruits a starting team. In essence, the Adviser acts as the co-founder of the company – allowing the firm to both guide the path of development of the new company and retain a very large share of the equity for the Funds.

In addition to “hatching” companies, the Funds make early-stage investments at a company's “seed” stage. One significant source of “seed” investment opportunities for the Funds is through “Rough Draft Ventures,” a student-focused initiative established by the Adviser that seeks to identify, engage with, and invest in talented entrepreneurs currently attending universities, including both undergraduate and graduate programs. Through the Rough Draft Ventures program, the Funds invest in student entrepreneurs at the earliest stages of the new businesses these entrepreneurs are developing.

When investing at an early-stage of a company (generally a Series Seed, Series A, or Series B financing), a Fund generally acts as the lead or co-lead investor. Where a Fund is the lead or co-lead investor, the Adviser often also considers co-investments by Co-Investors.

Transformational Investments

As part of its transformational investment focus, the Adviser looks to identify (i) expansion-stage venture investment opportunities or (ii) XIR-growth stage investment opportunities. The Adviser actively works with existing owners or management of companies in which a Fund invests to invest capital, technology, human resources, business development ideas, relationships, and business model strategy.

As part of its expansion-stage venture investment focus, the Adviser looks to identify companies that are experiencing rapid user growth or adoption, significant revenue growth, or exhibit other key performance indicators that distinguish these companies from other legacy businesses and competitors that may indicate the potential for these companies to become an industry leader or a category-defining, or a category-creating, business. The Adviser will look to invest in these companies, which have typically raised previous rounds of financing, as they seek to sustain or further enhance their rapid growth rate and trajectory.

As part of its XIR-growth stage investment focus, the Adviser looks to identify companies that are in industries in flux and that are well positioned to transform themselves into new leaders in that

industry. Such companies often have found success in scaling revenue, may be cash flow positive, and often have not previously received institutional investment. While the XIR program strategy may be leveraged across different stages of investments, including, without limitation, early-stage and expansion-stage venture investments, and other special opportunities, these XIR-growth stage investments often leverage the XIR program structure which is described in detail below.

XIR Program

Through its XIR program, the Adviser, on behalf of the Funds it advises, seeks to build platform businesses by identifying and investing in entrepreneurs and former senior executives with deep domain and sector-specific expertise who can leverage their industry knowledge and operational experience by developing a new start-up opportunity or by taking on an active role with a management team to help scale and drive the growth of an existing business. In many ways, the XIR program is an extension of, and runs parallel to, the Adviser's early-stage strategy as the Adviser seeks to identify and invest in talented and proven entrepreneurs and executives whose involvement with a business can be the "X-factor" that helps drive growth and transformation, accelerate the trajectory, and improve the eventual outcome of a business.

The strategy and structure of the XIR program generally consists of the following components and characteristics:

- The Adviser seeks to identify talented individuals with deep domain expertise in defined areas, typically within the consumer and enterprise sectors, who have experience operating successful businesses as senior executives. These individuals are often looking to explore a new opportunity either in the form of a new start-up business or by becoming actively involved with an existing business where they can work closely with management teams providing leadership, mentorship, and operational and strategic support.
- A Fund and the XIR form a new company ("Newco") and a Fund provides seed funding to the Newco, which is used for start-up costs and operating expenses, including compensation, benefits and expenses for the XIR and others working for the Newco. While the XIR is not an Adviser employee, the XIR is typically provided office space and certain administrative support at the Adviser's offices (i.e., the XIR is "in residence").
- The Adviser's investment professionals lead a targeted search within a defined sector for a company (or limited number of companies) ("Identified Company") that may benefit from the XIR's domain expertise, operational experience, and active involvement with management, and that is of interest to the XIR. In certain instances, in parallel with the search for an Identified Company, the XIR, relying on his or her deep domain expertise and operational experience, will assess whether an opportunity exists for a new start-up business in that defined sector.
- In the event the Adviser approves an investment by the Fund in an Identified Company (which may be made in part through the Newco and in part directly in the Identified Company), the XIR takes on an active role with the Identified Company, typically as Chairman or a member of the board. In the event the Adviser approves an additional investment by the Fund in the Newco to develop a new start-up business opportunity, the

XIR typically leads the development of the new business, hires a team, and manages the operations of the new business conducted by the Newco.

- An XIR's compensation or incentives generally consists of one or more of the following:
 - salary or consulting fees and benefits from the Newco or an Identified Company;
 - equity/profits interest in the Newco entitling the XIR to a portion of the Fund's profits from its investment in the Newco and any Identified Company, generally subject to certain multiples-on-investment being achieved by the Fund;
 - equity grants (including options, restricted stock or other securities) issued to the XIR by an Identified Company or the Newco;
 - co-investment by the XIR in an Identified Company or the Newco; or
 - potential opportunities to co-invest alongside Funds in companies other than the Newco or an Identified Company, including in companies with which other XIRs are involved or which may benefit from the XIR's involvement as an investor.

In some instances, following an investment in an Identified Company, the Newco receives management fees or other compensation from the Identified Company that is used to cover some or all of its operating costs, including compensation and expenses for the XIR and others working for the Newco. In other instances, after an investment has been made in an Identified Company, the Fund will continue to invest capital into Newco which is used to cover such operating expenses.

Certain employees of a Newco (if any) may also be entitled to compensation, benefits, co-investment rights or other incentives similar to those offered to XIRs (as described above) from the Newco, Identified Company, a Fund, or another portfolio company.

Other Investments Leveraging the XIR Program Structure

As part of its strategy of synthesizing exciting and innovative ideas and technologies with the right people, the Adviser will, from time to time, utilize the XIR program structure as a means to pair a person who is an experienced and talented entrepreneur or former executive but who is not an XIR with a founder or management team of a current or prospective portfolio company in connection with an investment by a Fund, which may include, without limitation, early-stage and expansion-stage venture investments and other special opportunities. Through the Adviser's ecosystem, it has access to a significant number of domain experts, founders, entrepreneurs, and executives, many of whom have highly-relevant and sector-specific domain expertise and operational experience. A founder or management team of a prospective or current portfolio company may value or seek to have an individual from the Adviser's ecosystem involved with the company as that individual's expertise and experience may be highly relevant or strategic to the company's business. In these instances, the Adviser will evaluate how such individual's involvement could positively impact the growth and value of the business and may look to structure an investment to align incentives. This could include, among other structures, a structure similar to the XIR program structure as outlined above, including, without limitation, establishing a Newco in which a Fund may make an investment (with the proceeds of such investment used to pay operating costs of the Newco,

including compensation, benefits and expenses for such individual) as well as issuing equity/profits interests to such individual which may entitle him or her to a portion of the Fund's profits from its investment in the Newco and the current or prospective portfolio company, generally subject to certain multiples-on-investment being achieved by the Fund. For additional details relating to methods of analysis and investment strategies employed by the Adviser, please refer to the Organizational Documents of a Fund. In addition to the investment strategies described above, the Adviser or its affiliates may, from time to time, establish new complementary investment strategies.

Co-Investors and Adviser Personnel generally do not make investments in the Newco and as a result the Newco's operating expenses (including, compensation, benefits and expenses of the XIR or other individuals where the XIR program structure or similar structure has been implemented) would only be funded through investments by the Fund(s) and would not be borne by such Co-Investors or Adviser Personnel, as applicable. In addition, Co-Investors or Adviser Personnel often do not enter into arrangements with the XIR (or other individuals where the XIR program structure or similar structure has been implemented) entitling the XIR (or other individual) to a portion of the Co-Investor's or the Adviser Personnel's profits from its investment in a Newco or Identified Company and in such instances the XIR (or other individual) would only be entitled to a portion of the profits of the Fund's, and not the Co-Investor(s)' or Adviser Personnel's, investment in the portfolio company (including Newcos and Identified Companies).

As described above, XIRs (or other actively involved individuals where the XIR program structure or similar structure has been implemented) typically receive fees or other remuneration from portfolio companies, including Newcos and Identified Companies, for services rendered to such portfolio companies (including service as an advisor or on the board of directors) or, in certain cases, fees or remuneration will be paid or issued by an Identified Company or other portfolio company to a Newco and the Newco may in turn cover compensation and benefits or issue equity/profits interests to an XIR (or other actively involved individual). In addition, XIRs or other third parties occasionally will be designated by a Fund to serve on the board of directors of a portfolio company (in the case of an XIR, a portfolio company in addition to a Newco or an Identified Company) and may receive fees, equity, or other remuneration for such service, including management, monitoring or similar fees payable over a period of time that may accelerate and become fully payable upon an initial public offering, acquisition or other event with respect to the applicable portfolio company. Any such fees, equity or other remuneration received by an XIR (or other actively involved individual where the XIR program structure or similar structure has been implemented) or other third party, or by a Newco, do not result in an offset to the Advisory Fee or otherwise inure to the benefit of a Fund or its investors (except if and to the extent that such fees reduce the need for a Fund to fund the ongoing operating costs of the Newco related to such XIR or other individual).

Following an initial investment in a Newco by a Fund, another Fund may make an initial investment in such Newco (with or without an additional investment in such Newco being made by the Fund that initially invested in the Newco) with proceeds from such investment being used by the Newco to make an investment in an Identified Company or to fund the operating expenses of the Newco as noted above. In such instances where another Fund has an existing investment, the proceeds from such later investing Fund's investment might not be used to fund the operating expenses of the Newco (or might not be used to fund operating expenses previously incurred by

the Newco) and, as such, the Funds which have invested in the Newco may pay disproportionate amounts of the operating expenses of the Newco, including compensation, benefits and expenses of an XIR (or other actively involved individual where the XIR program structure or similar structure has been implemented).

In addition, to attract and incentivize a successful executive or entrepreneur to become an XIR (or to attract and incentivize an individual to become involved with a current or prospective portfolio company as part of the Adviser's transformational investment strategy, including when the XIR program structure or similar structure has been implemented), such XIR (or such other individual) is from time to time granted an interest in a Fund's general partner, entitling such XIR (or such other individual) to a portion of such general partner's Carried Interest in the Fund. Any such interest in the general partner is in addition to any compensation or equity that such XIR (or such other individual) receives from Newcos or other portfolio companies of the Funds.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include but are not limited to the following:

Long-Term Nature of Portfolio Investments. There may be a significant period of time before a Fund completes its investment program. Investments often take many years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there generally will be no current return on the investments.

Operating Risks of Investments. The Funds invest in companies in high-growth sectors that entail significant operating risk. Many of the Funds' portfolio companies are at an early-stage of development with little or no operating history and no established products or services. In addition, many of the Funds' portfolio companies need substantial additional capital (which may not be available) to support additional research and development activities, expansion, or to achieve or maintain a competitive position. Such companies face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities and a larger number of qualified managerial and technical personnel. In addition, the Funds' investments typically represent minority positions in portfolio companies, and, although the Funds may have representatives that serve on the boards of directors, the Funds may not have the power to exert significant control over such portfolio companies' boards of directors and management. In such cases, the Funds rely significantly on the existing management and boards of directors of such companies, which may include unseasoned managers and representatives of other investors with whom the Funds are not affiliated and whose interests

or views may conflict with the interests of the Funds. This is especially true in the case of expansion-stage venture investments where the Funds may have less active involvement with the portfolio company, no representative on the board of directors, fewer protective provisions (e.g., limited information rights and less (or no) dilution protection), and a smaller ownership stake in the portfolio company. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates employment, the Funds' investment in such company could be adversely affected.

Certain considerations related to active management. Although a Fund's investments will generally represent a minority interest in portfolio companies, a Fund may in certain cases own a significant or controlling percentage of the voting securities of portfolio companies. Because of such significant or controlling ownership, representation on the boards of directors, or contractual rights, the Fund may in certain cases be thought to control, participate in the management of or influence the conduct of portfolio companies. This could expose the assets of the Fund, the Fund's general partner, the Managing Directors and certain other persons to claims by a portfolio company, its security holders, its creditors or governmental agencies. Under the terms of a Fund's Organizational Documents, the Fund's assets are available to indemnify the applicable general partner, the Managing Directors, Adviser Personnel and certain other persons for losses or expenses incurred in any action related to conduct on behalf of the Fund, subject to certain conditions, and the Fund will have the ability to recall distributions previously made to the investors for the purpose of satisfying such liabilities. Beyond direct costs, such disputes may adversely affect a Fund in a variety of ways, including by distracting the applicable general partner, the Managing Directors, Adviser Personnel and certain other persons and harming relationships between the Fund and its portfolio companies or other investors in such portfolio companies.

Certain Litigation Risks. The Funds are subject to a variety of litigation risks, particularly due to the substantial likelihood that one or more portfolio companies will face financial or other difficulties. The Funds may also participate in portfolio company financings at implicit valuations lower than valuations implicit in preceding rounds of financing. Legal disputes involving the Funds or the applicable general partners may arise from the foregoing activities (or any other activities relating to the operation of the Funds or the applicable general partners) and could have a significant adverse effect on the Funds.

Highly Competitive Market for Investments. The business of identifying and structuring venture capital transactions is highly competitive and involves a high degree of uncertainty. The Funds compete for investments with venture capital funds and other private investment funds, "angel" investors, corporate venture programs, business development companies, institutional investors, hedge funds, and other investors. There can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve any particular rate of return, or fully invest its committed capital.

Technology Concentration Risk and Lack of Diversification. A significant portion of the Funds' investments are concentrated in equity and equity-related securities of information technology companies, and the Funds may not be broadly diversified. These companies are generally small and less-seasoned and their equity securities will tend to be more volatile than the overall stock market. As a result, events affecting these companies – for example, intellectual

property issues (including litigation over proprietary rights to technology or an inability to adequately protect intellectual property rights), product roll-out delays or failures, rapid obsolescence, constant technical innovation, shifting technical standards, disproportionately large research budgets, marketing expenses and market penetration by competitors and the inability to attract and retain qualified technical and managerial employees –affect the value of the Funds’ portfolio more than they would likely affect a portfolio that was not similarly concentrated. The Funds are, therefore, subject to more volatility and a greater risk of loss than a more broadly diversified fund that focuses on a broader array of investments. In addition, the Funds participate in a limited number of investments and, as a consequence, the aggregate returns of the Funds may be affected by the performance of a single investment.

Leverage. The Funds are permitted to borrow money and guarantee obligations, subject to the limitations set forth in their respective Organizational Documents. The use of leverage has certain cash management and other advantages but it also exposes the Funds and their assets to certain risks, including risk of loss if a Fund defaults under a credit or loan facility. The extent to which a Fund uses leverage (directly or indirectly) will likely have important consequences to the investors in the Fund, including, but not limited to, the following: (i) greater fluctuations in the net assets of the Fund; (ii) use of cash flow for debt service, rather than for additional investments, distributions or other purposes; and (iii) to the extent that Fund revenues are required to meet principal payments, the partners may be allocated income (and therefore tax liability) in excess of cash available for distribution. There can also be no assurance that the Fund will have sufficient cash flow to meet its debt service obligations. As a result, the Fund’s exposure to losses may be increased due to illiquidity of its investments generally. In addition, leverage provided to the Fund will result in interest expense and other costs in connection with such borrowings, which could reduce net investor returns.

In addition, in certain cases with transformational investments, portfolio companies may borrow money as part of the transaction in which a Fund invests in such companies. While leverage presents opportunities to increase a Fund’s total return from its investment in such portfolio companies, it also has the effect of potentially increasing losses. If income and cash flow of such portfolio companies are less than the required interest payment on the borrowings, the value of such portfolio companies, and thus of the Fund’s investment, will likely decrease or the Fund could suffer a total loss. Lenders often impose restrictive financial and operating covenants on portfolio companies that are leveraged. Accordingly, any event that adversely affects the value of an investment by a Fund may be magnified to the extent that a portfolio company is leveraged. It may also be necessary from time to time for a leveraged portfolio company to seek refinancing or restructuring of its debt financing, and there can be no assurance that any needed refinancing or restructuring will be available on terms that are favorable to a Fund’s investment in the portfolio company. A Fund may, subject to certain limitations in its Organizational Documents, guarantee the indebtedness of portfolio companies. In such a case, if the portfolio company’s cash flow is insufficient to cover its debt obligations, the Fund may be called upon to fund all or a portion of the portfolio company’s debt obligations to satisfy such guarantee. This would reduce the amount of capital the Fund has available for other purposes and could adversely affect returns to the investors in the Fund.

Foreign Investments. The Funds may invest a percentage of capital commitments in companies organized under the laws of jurisdictions other than the United States. Foreign investments involve certain factors not typically associated with investing in U.S. securities, including but not limited to risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political risks, including potential exchange control regulations, restrictions on foreign investment and repatriation of capital, expropriation or confiscatory taxation; and (iv) the possible imposition of foreign taxes on income and gains recognized with respect to foreign securities. Consequently, there can be no assurance that a Fund's return on investment will not be adversely affected by an investment in foreign securities.

Regulated Businesses. Companies in which the Funds invest may be in regulated industries. Changes in regulations applicable to such companies could have a negative impact on their businesses and operations. In certain cases, a general partner of a Fund may structure its investment in a regulated business differently from the manner in which it might structure a similar investment in a different type of business in order to attempt to reduce the potential impact of the applicable regulatory requirements on the Fund, the general partner and their affiliates and personnel (e.g., holding non-voting stock rather than voting stock, keeping the Fund's economic or voting ownership percentage below certain thresholds or declining the opportunity to have a representative serve on the company's board of directors). Further, investments by a Fund in portfolio companies that are in regulated industries may require disclosure (to regulators or the public or both) of information regarding the Adviser, the applicable Fund or its investors. The applicable general partner may need to obtain additional information from the investors in order to satisfy such disclosure requirements.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of its investments in portfolio companies, the Funds may be required to make representations about the business and financial affairs of any such investment typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the general partner may establish reserves, escrows and require the investors in a Fund to return some or all of the distributions made to it pursuant to the Organizational Documents of such Fund. In that regard, a distribution of proceeds that might otherwise be made could either be delayed or withheld until such reserves are no longer needed.

General Economic and Political Conditions. Changes in legal, tax, fiscal, and regulatory regimes may occur during the life of the Funds that may have an adverse effect on the Funds. The Funds may not be permitted to, or be able to, make adjustments in its structure or investment program in order to adapt to such changes. The applicable general partner will have the exclusive right and authority (within the limitations set forth in the Organizational Documents of a Fund) to determine the manner in which a Fund shall respond to such changes. Interest rates, inflation, general levels

of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Funds. Instability in the securities markets may affect the value of the Funds' portfolio company investments, as well as the length of time such investments are held. A sustained period of inactivity or low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by the Funds. Political unrest, war and acts of terrorism may also increase the risks inherent in the Funds' investments. Due to the illiquidity of the Funds' investments, the Funds have limited ability to adapt to any such changes in the economic environment or mitigate any corresponding losses.

Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile indefinitely. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market, and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities will depend on their ability to sell new securities in the public high yield debt market or otherwise.

European Regulatory Risk. The European Alternative Investment Fund Managers Directive (the "AIFM Directive") entered into force on July 21, 2011, and was required to be implemented at member state level in the European Economic Area ("EEA") on or prior to July 22, 2013. In addition, various jurisdictions continue to enact legislation and regulations to implement relevant

provisions of the AIFM Directive. As these rules continue to evolve and vary in part from jurisdiction to jurisdiction, their full impact on the Funds is uncertain. In those member states of the EEA that have implemented the AIFM Directive, limited partner interests in a Fund will not be offered at the initiative of the applicable general partner or their affiliates, and, accordingly, the applicable Fund, the general partner, and the Adviser are not intended to be subject to the requirements of the AIFM Directive applicable to “alternative investment funds” (“AIFs”), the interests of which are marketed at the initiative of the sponsor or manager of the AIF. If the applicable Fund, the general partner or the Adviser were to be subject to the AIFM Directive and related rules, the applicable Fund, the general partner or the Adviser could become subject to certain requirements that could restrict or otherwise affect their operations. Compliance with the AIFM Directive and related rules could also increase the operating expenses of the Fund and require additional administrative attention from the Adviser and its personnel. The foregoing and other matters related to the AIFM Directive could have an adverse effect on a Fund. The Adviser could also be subject to actions or investigations by governmental authorities with respect to matters related to AIFM Directive compliance, which could impose financial, time and operational burdens on the Adviser and its personnel.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund’s assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser gives rise to conflicts of interest, valuations impact the Adviser’s track record and the performance allocation or Advisory Fee in certain Funds is calculated based, in part, on these valuations.

Cybersecurity Risk. The Adviser, the Funds’ service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds’ service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds’ service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Adviser’s systems to disclose sensitive information in order to gain access to the Adviser’s data or that of the Funds’ investors. A successful penetration or circumvention of the security of the Adviser’s systems could result in the loss or theft of an investor’s data or funds, the inability to access electronic systems, loss, or theft of proprietary information or corporate data, physical

damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Adviser may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction, or litigation.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Tax Reform Risks. President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code") on December 22, 2017 (the "Tax Act"). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope, and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their investors. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to Carried Interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017, to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of Carried Interest. Enactment of this legislation could cause the Adviser's investment professionals to incur a material increase in their tax liability with respect to their entitlement to Carried Interest. This might make it more difficult for the Adviser to incentivize, attract and retain these professionals, which may have an adverse effect on the Adviser's ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of the Funds and the investors and, therefore, these rules may have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the tax law gives the Adviser an incentive to cause a Fund to hold an investment for longer than three years in order to obtain lower tax rates on Carried Interest gains even if there are attractive realization opportunities earlier than three years.

Uncertain Exit Strategies. Due to the illiquid nature of the positions the Funds acquire, the Adviser is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available at an attractive price, or at all. Exit strategies which appear to be viable or profitable when an investment is initiated may be precluded or unprofitable by the time the investment is ready to be realized due to market, economic, legal, political, or other factors.

Availability of Investment Capital. Portfolio company investments often require several rounds of capital infusions before the portfolio company reaches maturity. If a Fund does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the value of the Fund's existing investment. Although it is the Funds' policy to maintain reserves to allow it to participate in follow-on rounds

of financings, the Funds do not intend to provide all necessary follow-on financing that a portfolio company requires. Accordingly, third-party sources of additional financing may be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Funds. Furthermore, a Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of portfolio company financing. A Fund's portfolio companies may not successfully find follow-on financing sources after an investment by the Fund. As a result, the expected return from the Fund's investment may be adversely impacted.

Investments in Public Companies. Some of the Funds' portfolio companies may become public companies following an initial public offering. In addition, portfolio companies may be acquired by publicly traded companies in exchange for consideration consisting in whole or in part of securities of such publicly traded companies. Certain Funds are also permitted to invest in public companies more generally, subject to a cap. Investments in public companies 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 from quarter to quarter, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times (including due to the possession by the Funds or the applicable general partner of material non-public information or trading restrictions applicable to representatives of the applicable general partner serving on the board of directors and, by extension, the Fund), increased likelihood of shareholder litigation against such companies' board members, which may include representatives of the applicable general partner, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Risks Relating to Seed Investments. There are often several factors which necessitate an accelerated timeline to close a seed investment, including (without limitation): (i) the Adviser may be one of several co-investors making an investment as opposed to a traditional single lead or co-lead investor; (ii) there may be increased competition from other co-investors associated with closing the investment on a shortened timeline; and (iii) the Adviser's desire to seek to accommodate the requests of founders and the capital needs of a start-up business which often requires capital in a timely manner. Because of such factors, and because an initial seed investment generally is much smaller than a traditional Series A investment, a full due diligence review process is neither practical nor warranted in connection with a seed investment. In these situations, such as investments made through the "Rough Draft Ventures" program, the Adviser will truncate and expedite its standard investment process outlined in the Funds' Organizational Documents. If a seed investment, including seed investments through the "Rough Draft Ventures" program, later becomes a candidate for a Series A investment, the Adviser generally will subject the company to a full due diligence and review process described in the Funds' Organizational Documents.

Risks Relating to Digital Currencies. The Funds may invest in digital currencies (or "cryptocurrencies"), in companies that develop, operate or maintain infrastructures for digital currency networks or that operate in or around the digital currency networks or in investment vehicles that invest in such digital currencies or companies ("Digital Currency-related Investments"). Digital currency networks are vulnerable to hacking and malware and many digital currency exchanges have been closed due to fraud, failure or security breaches. In such event, the Funds' Digital Currency-related Investments may be adversely affected. Digital currencies

generally represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, digital currencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. A significant portion of the demand for digital currencies is generated by speculators and investors seeking to profit from the short or long-term holding of digital currencies. The prices of digital currencies are subject to rapid and extreme fluctuations. A lack of expansion by digital currencies into retail and commercial markets, or a contraction of such use, may result in increased volatility, which may adversely affect the Funds' Digital Currency-related Investments. In addition, as digital currencies have grown in popularity, certain U.S. and non-U.S. regulatory agencies have begun to examine digital currencies and the operations of their networks. Assuming that digital currencies continue to be determined to be a security, commodity future or other regulated asset and the U.S. or non-U.S. government or quasi- governmental agency exerts regulatory authority over the digital currencies, or if it becomes illegal, now or in the future, to own, hold, sell, or use digital currencies in one or more countries, including the United States, the Funds' Digital Currency-related Investments may be adversely affected. Furthermore, the taxation of digital currencies is uncertain in many jurisdictions and continuously evolving in others.

Certain companies have started using "coin-offerings" to raise capital in lieu of traditional equity financings. To the extent that more companies adopt this approach, the Funds may not have access to what otherwise might have been attractive traditional venture capital investment opportunities, and the amount that the Funds might otherwise have invested in Digital Currency-related Investments may increase as a result.

Hedging Techniques. From time to time, a Fund may have investments that are publicly traded with shares that are illiquid or not freely tradable. The applicable general partner may cause the Fund to engage in hedging techniques in an effort to maintain the value of such investments until the corresponding shares become liquid and freely tradable. The applicable general partner also may cause the Fund to enter into currency hedges with respect to investments denominated in non-U.S. currencies.

Regulatory and Enforcement Risks. Regulation of the venture capital industry, including regulation applicable to managers of private venture capital funds such as the Adviser, has increased significantly in recent years. Additional regulation is likely in the future. Compliance with regulations requires significant time and effort from the Adviser and its personnel. The Adviser or its affiliates and personnel may from time to time be subject to regulatory inquiries, examinations, investigations or enforcement actions that require significant time and attention from its personnel. Enforcement actions and any resulting sanctions that have an adverse effect on the Adviser or such personnel could in turn have an adverse effect on the Funds. In certain cases, a Fund itself could become subject to regulatory investigation or enforcement actions that could involve significant cost to the Fund or otherwise adversely affect the Fund.

Currency Risk. Certain investments by the Funds, and the income received by the Funds with respect to such investments, may be denominated in various non-U.S. currencies. However, the books of the Funds are maintained, and contributions to (and distributions from) the Funds are made, in U.S. Dollars. Accordingly, changes in currencies may adversely affect the U.S. Dollar value of investments, interest, and other revenue streams received by the Funds, gains and losses realized on the sale of investments and the amount of distributions, if any, made by the Funds. In

addition, the Funds incur costs in converting investment principal and income from one currency to another. The applicable general partner may (but is not required to) enter into hedging transactions designed to reduce such currency risks. Furthermore, the issuer of the investments in which the Funds invest may be subject to risks relating to changes in currency values, as described above. If an issuer suffers adverse consequences as a result of such changes, the Funds would also be adversely affected.

Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. The applicable general partner may try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

Venture and Start-Up Companies. The Funds may make investments in issuers, including, but not limited to, venture and start-up companies, which involve a number of particular risks that may not exist in the case of large public companies or established private companies, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors dependent on any guarantees or collateral they may have obtained;
- these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- there will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation, or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;
- the frequency and volume of the trading of these companies may be substantially less than is typical of larger companies and as such it may be more difficult for the Funds to exit the investment in the company at its then fair value;
- these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion, or maintain their competitive position; and
- these companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

Investments in Equity Securities Generally. The Funds hold investments in equity securities. Equity securities may include common and preferred stocks and warrants, rights and equivalents. As with other investments that the Funds may make, the value of equity securities held by the Fund may be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities or debt instruments. Preferred securities are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than those debt securities. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed herein regarding equity or fixed income securities.

Limited Control. The Funds will often hold minority positions in portfolio companies with proportional board representation (or hold positions in portfolio companies in which disproportionate voting control—relative to economic ownership—remains with such companies' founders) and, therefore, the Adviser may have limited ability to control and make various strategic decisions on behalf of the portfolio companies. While certain rights will generally be sought to protect a Fund's interests, these rights may not permit a Fund to cause a portfolio company to take actions which the Adviser believes would maximize the value of the Fund's investment, or refrain from taking actions which the Adviser believes would impair the value of the Fund's investments. In addition, when the Funds hold a minority position in a portfolio company, the Funds may also have limited information rights with respect to such portfolio company and, as a result, will receive less information regarding such portfolio company than some or all of the other equity holders.

Risks in Effecting Operating Improvements. In some cases, the success of the Adviser's investment strategy will depend, in part, on the ability of the Funds to restructure and make improvements in the operations of a portfolio company. The ability of the Adviser to identify, implement, restructure programs, and effect operating improvements at portfolio companies involves a high degree of uncertainty. There can be no guarantee that the Funds will be able to successfully identify, implement, and effect such improvements.

Item 9. Disciplinary Information

The Adviser and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the Adviser or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser, nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, or futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Related General Partners

Various entities (the “General Partners”) serve as general partners of the Funds. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all its members, officers, and employees, as well as, at the discretion of the Adviser, officers and employees of its affiliates and, from time to time, certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), and to prevent violations of federal securities laws by, among other things, establishing guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics and certain of the Adviser’s other policies and procedures. The Code of Ethics’ personal trading procedures are administered by the Advisers Chief Compliance Officer (“CCO”). Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports (including quarterly transaction reports, initial and annual holdings reports) with the CCO as required by Rule 204A-1 under the Advisers Act. In addition, Adviser Personnel are required to periodically certify that they have read and understand the Code of Ethics and other compliance policies and procedures, and certify that they have complied with the provisions of the Code of Ethics. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to certify at least annually compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client, or prospective client upon written request to:

General Catalyst Group Management, LLC
Attn.: Anthony Dell, Chief Compliance Officer
20 University Road, Suite 450
Cambridge, MA 02138

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser, in certain instances, invest in and alongside the Funds through the General Partners. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of an investor’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or investors.

Conflicts of Interest

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

Resolution of Conflicts

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

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) The Adviser may consult with the advisory committee of a Fund as to certain potential conflicts of interest, and on any issue involving actual conflicts of interest the Adviser will be guided by its good faith discretion;

- (4) The Adviser has established certain committees for the purpose of addressing and advising with respect to certain conflicts of interest;
- (5) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of such Fund, including in the Organizational Documents of such Fund.

More detailed procedures for resolving specific conflicts of interest are set forth in the Organizational Documents of the applicable Fund and certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. A Fund's Organizational Documents contain a number of detailed provisions designed to address actual and potential conflicts of interest and other activities and considerations which may affect the Adviser's business and strategy. The Organizational Documents, however, cannot and do not fully anticipate and address all situations, developments, scenarios, investment opportunities, investment considerations and investment structures as the foregoing can vary on a case-by-case basis depending on a variety of facts and circumstances. While the disclosures in this brochure are not intended to be exhaustive, they are an attempt to provide further disclosure, transparency, visibility and understanding of the Adviser's business and strategy and certain potential conflicts of interest that may arise in connection with the Fund. Other conflicts may be disclosed in the Organizational Documents of a Fund and throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include one or more Co-Investors);

- Co-Investors or Adviser Personnel that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Other third parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Funds are generally subject to provisions in their respective Organizational Documents that prescribe what a Fund may invest in (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain Funds or co-investment vehicles with investments contractually tied to such Funds. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds are eligible to participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies, and structure. A Fund’s investment objectives, strategies, and structure typically are reflected in the Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities will generally be set forth in a Fund’s Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory, and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that are eligible to participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds on a case-by-case basis. An opportunity may be allocated entirely to one Fund or among multiple Funds for co-investment. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund’s investment objectives and investment focus;
- Transaction sourcing;

- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Estimated future capital needs of the portfolio company;
- The nature and size of a portfolio company;
- The life cycle of a Fund (and any desire of the Adviser to use the remaining available capital for the older of the Funds first);
- Each Fund's investment period;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio;
- Whether a Fund has an existing investment in the portfolio company and suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual, or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

Generally, investments in an Identified Company with which an XIR will be actively involved and whose Newco was funded by a particular Fund during the process of identifying such Identified Company are allocated to the same Fund that funded the applicable Newco.

There can be no assurance that the application of the Investment Allocation Requirements and factors set forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives. To the extent that multiple Funds invest in a new portfolio

company, the sharing of that investment will generally be determined on a case-by-case basis and will not necessarily be pro rata relative to the respective capital commitments of such Funds.

The determinations made by the Adviser in connection with the allocation of investment opportunities are frequently subjective in nature and as a result, (a) an investment that was determined appropriate for one Fund may ultimately prove to have been more appropriate for another Fund and (b) where potential overlap among Funds exist, the Adviser may, in accordance with the Organizational Documents of a Fund and the Adviser's policies and procedures, forego investment opportunities suitable for a Fund.

In addition, Adviser Personnel may participate directly or indirectly in investments made by the Funds. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Allocation of Co-Investment Opportunities and Secondary Transactions

Subject to any restrictions contained in a Fund's Organizational Documents, the Adviser may, but is under no obligation to, provide opportunities to co-invest with a Fund to Co-Investors. The Adviser from time to time provides opportunities to co-invest with the Fund to one or more investors in the Funds (or persons or entities associated with investors) or to one or more Co-Investors (or persons or entities who are not associated with investors) without making such opportunity available to any or all such investors in the Funds.

Each investment opportunity is evaluated on a case-by-case basis, and the Adviser considers a number of factors in the course of evaluation in determining whether there is a potential opportunity for co-investment (and the extent of such co-investment opportunity), including without limitation, the following factors:

- the total amount of capital to be raised in connection with the investment opportunity and the portion available to the Fund;
- whether the Fund would be subject to certain limitations on the amount it may invest due to tax, regulatory, investment, or other considerations;
- whether the co-investment opportunity, and the amount of such co-investment, would disadvantage the Fund;
- whether co-investment by an investor (or other Co-Investor) could be of benefit to the business underlying the investment opportunity;
- whether the business underlying the investment opportunity desires additional Co-Investors; and
- whether potential conflicts of interest may exist.

Any such co-investment opportunity may be offered to one or more Co-Investors pursuant to the procedures included in such Funds' Organizational Documents and as set forth in the following paragraphs.

No investor in a Fund has a right to participate in any co-investment opportunity and investing in the Fund does not give an investor any rights, entitlements, or priority to co-investment opportunities. Decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors. The Adviser may provide opportunities to co-invest with a Fund to one or more investors or investors in funds managed by an affiliate of the Adviser (or persons or entities associated with such investors) or to one or more persons or entities who are not investors (or persons or entities who are not associated with investors) without making such opportunity available to any or all investors and an investor may be offered a smaller amount of co-investment opportunity than originally requested. Co-investments may be made directly in the applicable portfolio company (including Newcos) or through SPVs formed by the Adviser or its affiliates for such co-investment. The Adviser or its affiliates may, but are not required to, receive fees, Carried Interest, or other compensation in connection with such co-investments, the terms of which may differ from the terms of a Fund with regard to such matters. Any such fees, Carried Interest or other compensation will not offset the Advisory Fee payable by the Fund or otherwise benefit the Fund or its investors. Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

If the Adviser has determined that a co-investment opportunity may be available, it considers on a case-by-case basis in its discretion how to allocate such opportunity taking into account various factors, including, without limitation:

- whether one or more investors (or other prospective Co-Investor) has indicated a desire and willingness to evaluate and participate in co-investment opportunities of the nature being considered;
- whether the investment opportunity may be of interest to certain investors (or other prospective Co-Investor), taking into account tax, regulatory, investment or other considerations;
- how quickly the prospective Co-Investor is able to conduct its own due diligence and make its own decision with respect to an opportunity;
- whether a prospective Co-Investor has the financial and other resources to make the investment;
- whether the Adviser believes that a prospective Co-Investor will represent a good syndicate partner in connection with the investment;
- the potential of the prospective Co-Investor to introduce strategic relationships or provide operating advice or other expertise to the portfolio company;

- the size of a prospective Co-Investor's capital commitment to the Funds managed by the Adviser (in the case of investors);
- other factors relevant to the relationship of a particular investment opportunity to a given prospective Co-Investor;
- any confidentiality concerns the Adviser may have that may arise in connection with providing the potential Co-Investor with specific information relating to the investment opportunity to permit such person or entity to evaluate the investment opportunity;
- the Adviser's evaluation of its past experiences and relationships with potential Co-Investors, such as the willingness or ability of such person or entity to respond promptly or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential Co-Investor's commitment;
- level of demand for participation in such co-investment opportunity;
- the Adviser's evaluation of whether the profile or characteristics of the potential Co-Investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential Co-Investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential Co-Investor, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential Co-Investor will help establish, recognize, strengthen, or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds or the Adviser.

Without limiting the generality of the foregoing, an XIR (or other applicable individual where the XIR program structure or similar structure has been implemented) typically co-invests with the applicable Fund or Funds in portfolio companies with which such XIR (or other applicable individual) will be actively involved. In addition, XIRs often invest relatively small amounts in companies with respect to which another XIR is actively involved and may co-invest in other companies as well.

Co-Investors (including an entity formed by the Adviser or an affiliate to facilitate a co-investment with a Fund) may be granted or allowed certain rights to participate in follow-on investments with respect to the particular portfolio company but will not necessarily be granted or offered such rights or otherwise be required to participate in follow-on investments (whether or not the Fund participates). If the Adviser has formed an entity managed by the Adviser or an affiliate to facilitate a co-investment with a Fund, disposition opportunities with respect to any applicable portfolio company will be allocated between such entity and the Fund as determined by the Adviser or its affiliates in its good faith discretion (subject to any specific requirements in the governing agreements for such co-investment entity), taking into consideration such factors that it considers to be relevant.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds and potential Co-Investors, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to Co-Investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal, or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual, or other business interests or goals that are inconsistent with those of a Fund and, as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective.

In certain cases, Co-Investors also have contractual rights that require the approval of the Co-Investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights will limit the ability of the Adviser to take actions with respect to the portfolio company that it considers to be in the best interests of the applicable Fund.

In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen, or cultivate relationships that may provide indirectly longer-term benefits to

current or future Funds or the Adviser, and the expected amount of negotiations required in connection with a potential purchaser's investment;

- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens;
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

The Funds (which, for purposes of this section, also includes any pooled investment vehicle that may in the future be advised by an affiliate of the Adviser) invest in a broad range of asset classes throughout the corporate capital structure. These investments may include investments in corporate loans and debt instruments, preferred equity securities, and common equity securities. Conflicts arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction in which another Fund has already made an investment. Investment opportunities, from time to time, may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly when these Funds may invest in different types of securities in a single portfolio company. Certain Funds are expected to, and other Funds may, from time to time, invest, subject to the terms of their applicable Organizational Documents, in portfolio companies or other issuers in which other Funds have equity investments or otherwise have material influence on management. In addition, the Funds are expected to invest in portfolio companies and other issuers in which other Funds invest in different parts of the debt and, from time to time, equity capital structure. For example, circumstances will, from time to time, arise in which Funds invest in different parts of a portfolio company's capital structure, including the acquisition by a Fund in such portfolio company, as a result of the Adviser or an affiliate of the Adviser pursuing a new investment strategy or existing investment strategies and mandates.

For example, with respect to a Fund's investments in certain companies, other Funds may invest in different classes of debt or equity issued by the same companies, including debt or equity that is senior to the Fund's interests or convertible into such senior interests. The interests of a Fund may not be aligned in all circumstances with the interests of such other Funds to the extent they hold more junior or senior debt or equity interests, as the case may be, which could create actual or potential conflicts of interest or the appearance of such conflicts. In that regard, actions may be taken by such other Funds that are adverse to the Fund. In addition, there can be no assurance that the terms of, or the returns on, a Fund's investment in a portfolio company will be equivalent to, or better than, the terms of or the returns obtained by, the other Funds that may be invested in the portfolio company. The interests of the Funds investing in different parts of the capital structure of an issuer are particularly likely to conflict in the case of financial distress of the issuer and such conflicts will be increased where other Funds have a material influence on its management. In the

event Funds invest in different parts of the capital structure of an issuer, the Funds' interests are likely to conflict, particularly in the case of financial distress of the issuer.

In addition, to the extent one Fund is a controlling shareholder of a portfolio investment of another Fund (or a minority shareholder with the ability to control financing and exit transactions as a result of certain minority shareholder protections), the Adviser or its affiliates is likely to have the ability to determine (or significantly influence) the outcome of all matters requiring stockholder approval and to cause or prevent a change of control of such company or a change in the composition of its board of directors and could preclude any unsolicited acquisition of that company. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. The interests of Funds with respect to the management, investment decisions or operations of an issuer of the portfolio investment may at times be in direct conflict with each other. As a result, the Adviser may face actual or apparent conflicts of interest, in particular in exercising powers of control over such portfolio investments.

For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of a Fund, as a holder of senior secured debt issued by such company, to provide such additional financing. Each Fund will supply additional capital in such amounts, if any, as determined by the Adviser and its affiliates. If a Fund holding more junior debt or equity positions were to lose its respective investments as a result of such difficulties, the ability of the Adviser and its affiliates to recommend actions in the best interests of such Fund might be impaired. The reverse is true when a Fund holds debt in a portfolio company that is more senior to that held by another Fund. Such other Fund may take actions in its own interests with respect to its rights as a creditor (for example, with respect to breaches of covenants) that may be adverse to the interests of the Fund as more junior debt holders. It is possible that, in a bankruptcy proceeding, a Fund's interests may be subordinated or otherwise adversely affected by virtue of other Fund's involvement and actions relating to their investment. There can be no assurance that the term of, or the return on, a Fund's investment will be equivalent to, or better than, the term of or the returns obtained by, other Funds participating in the transaction. This may result in a loss or substantial dilution of a Fund's investment, while such other Fund recovers all or part of amounts due to it. Similarly, the Adviser's ability to implement a Fund's strategy effectively will be limited to the extent that contractual obligations entered into in respect of the activities of other Funds impose restrictions on such Fund engaging in transactions that the Adviser may be interested in otherwise pursuing. In addition, investments by more than one Fund or a client of the Adviser's affiliates in a portfolio company will also raise the risk of using assets of a Fund to support positions taken by other Funds or clients of the Adviser's affiliates, or that a Fund may remain passive in a situation in which it is entitled to vote. The Adviser and its affiliates may also express inconsistent or contrary views of commonly held investments or of market conditions more generally.

Where multiple Funds are invested in the same company, the Adviser generally will allocate disposition opportunities between the Funds based on their respective ownership percentage of such company. However, the Adviser may allocate disposition opportunities in a different manner in any particular case if it determines, in its discretion, that such different manner is appropriate or equitable in the circumstances, taking into account (without limitation): the relevant provisions in agreements related to the applicable Fund's investment in the portfolio company; the amount of

gain (or loss), realized and unrealized, on each applicable Fund's investment in the portfolio company at the time of such disposition opportunity; liquidity needs for each applicable Fund and the investment cycle of each applicable Fund; respective holding periods for the investment of each applicable Fund; the nature of the investment and the disposition opportunity, including the size of the opportunity; current and anticipated market conditions; tax, legal or regulatory considerations; and such other factors that the Adviser considers to be relevant.

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

Subject to any requirements set forth in the Organizational Documents of a Fund, from time to time the Adviser may, in its discretion, sell all or a portion of certain of the Fund's investments to investor(s) in a Fund. The Adviser will select the purchaser(s) of such investments considering factors it determines to be relevant in its sole discretion. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price, the other terms and conditions of the transaction and other factors it determines to be relevant. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s).

In addition, the Adviser may, in its discretion, sell an interest in a Fund's portfolio companies to Co-Investors (i.e., a post-closing sell-down). Subject to the Organizational Documents, the Adviser may decide not to charge a Co-Investor for any applicable interest costs associated with the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable Co-Investor.

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

Cross-Transactions

In certain cases, the Adviser and its affiliates will, from time to time, cause a Fund to purchase investments from another Fund, or it will cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to

market forces, a Fund may not receive the best price otherwise possible, or the Adviser or its affiliates might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund, for example, to earn fees or increase Carried Interest payable to the Adviser or its affiliates. Except for any such transactions contemplated by the Organizational Documents of a Fund, any such transaction involving a purchase or sale by a Fund from or to another Fund either would be on arm's-length terms and would be subject to the approval of the applicable advisory committees.

The Adviser has established certain policies relating to cross transactions, including that appropriate disclosures be made to the applicable Fund(s) regarding any proposed cross transactions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures designed to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions, and that the Fund receives any advance consent to the transaction prior to consummating such a transaction.

Management of the Funds

The Adviser and its affiliates engage in a broad range of business activities and manage a number of Funds that may have investment objectives similar to each other. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of the issuers of a Fund's portfolio investments, and may adversely affect the prices and availability of business opportunities or transactions available to these issuers. In addition, subject to any restrictions set forth in the Funds' Organizational Documents, the Adviser expects that it, its affiliates or their respective personnel will in the future establish one or more additional investment funds (including funds which may be competitive with the Funds) with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients*" above. The Adviser or its affiliates may give advice, or take actions with respect to, the investments of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives, or strategies. As a result, Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, a Fund may not be able to invest through the same investment vehicles, have access to similar credit, or utilize similar investment strategies as another Fund. These differences may result in variations with respect to price, leverage, and associated costs of a particular investment opportunity.

In addition, the Managing Directors who are responsible for managing a particular Fund will devote such time as is necessary to conduct the affairs of the Funds in an appropriate manner. However, it is expected that the employees of the Adviser and the Managing Directors will be engaged in other activities unrelated to the a particular Fund, including making and supervising investments of other Funds and future funds formed by the Adviser or its affiliates, to the extent not restricted by a Fund's Organizational Documents. Conflicts of interest arise in allocating time, services, resources, or investment opportunities among the investment activities of the Funds and any other funds. The Managing Directors also may devote time to activities or endeavors outside of the Funds including, without limitation, managing personal or family investments and attending to charitable or community endeavors. In addition, certain Managing Directors sitting on the investment committee of one Fund may also serve on the investment committee of other Funds, or of funds that may be managed by an affiliate of the Adviser. This may create conflicts of interest in providing advice and recommendations with respect to investments to the Funds.

In certain instances, based upon the needs of a portfolio company, including Newcos and Identified Companies, and the desire of one or more employees of the Adviser (which may include persons who are participants in the General Partner of a Fund, but would not include any employee who is then a Managing Director and who will remain a Managing Director) to further his or her professional development by working for a portfolio company, such Adviser employee may decide to become a full-time employee of such portfolio company, in which case such employee would devote all or a substantial portion of his or her business time to the activities and operations of a portfolio company and would typically cease to be an employee of the Adviser. As an employee of a portfolio company, such person would receive some or all of their compensation (including salary, bonus, equity and benefits) from such portfolio company. Because the operating costs of a portfolio company, including Newcos and Identified Companies, are generally funded out of proceeds received from investments by a Fund, the Fund would then indirectly be funding some or all of the compensation and compensation-related expenses of such Adviser employee (or former employee) while such person is being paid by such portfolio company. In addition, certain of such employees (or former employees) providing services to a portfolio company, including Newcos and Identified Companies, may receive equity or, with respect to a Newco, a "profits interest" similar to an XIR (or other actively involved individual where the XIR program structure has been implemented) that entitles such person to a percentage of the Fund's profits on a particular portfolio investment associated with such Newco, generally if a certain return threshold is met for the Fund's investment. Any amounts payable to such an Adviser employee (or former employee) in respect of his or her equity in a portfolio company, including a "profits interest" in a Newco, would reduce the returns to the applicable Fund with respect to the applicable portfolio company investment.

Conversely, in certain situations an entrepreneur or former executive may be recruited by the Adviser and may decide to leave a portfolio company of a Fund to join the Adviser, the XIR program as an XIR or to join (or otherwise provide services to) another current or prospective portfolio company of a Fund. In such instances, the business and operations of the portfolio company from which the individual departed (and, as a result, the performance of the Fund invested in the portfolio company) could be negatively affected as a result of such individual's departure from such portfolio company. In the event an entrepreneur or executive leaves a

portfolio company of one Fund to join a portfolio company of a different Fund, one Fund may benefit to the detriment of the other Fund.

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

A Fund may form a new company (“Seed Investment Entity”) which will serve as the entity that holds a number of seed investments, including investments made through the “Rough Draft Ventures” program (as described in Item 8). In certain instances, these Seed Investment Entities have in the past issued equity/profits interests to Adviser Personnel, third-party advisors and other individuals who devote a portion of their time and attention to certain seed investments held by the Seed Investment Entities and the Adviser’s seed investments overall. These equity incentives may entitle such individuals to a portion of the profits attributable to the Seed Investment Entity’s (and, thus, a Fund’s indirect) seed investment in a specific company which is held by the Seed Investment Entity or the overall profits attributable to all of the Seed Investment Entity’s (and, thus, all of a Fund’s indirect) seed investments which are held by the Seed Investment Entity.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including data and information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. The Adviser has in the past and is likely in the future enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. The Adviser has already and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds that hold interests in the companies from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. The Adviser has in the past and is likely in the future to utilize such information to benefit the Adviser, its affiliates, or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

Follow-on Investments

The Adviser’s general policy is to consider follow-on investment opportunities in a particular portfolio company on a priority basis for the Fund that has an existing investment in such portfolio company. If Funds of different vintages have existing investments in a portfolio company, follow-

on investment opportunities for that company generally will be first considered for the Fund or Funds that made the most recent investment in such portfolio company, provided that, subject to any consents or other conditions expressly required under the Organizational Documents of the applicable Funds, the Adviser may allocate such opportunities differently if it determines, in its discretion, that such different allocation is appropriate under the circumstances (including when one of the funds lacks sufficient unreserved capital for such follow-on investment). To the extent there is additional capacity in a follow-on investment opportunity after it is considered for the Fund or Funds with the existing investment in the company, the Adviser may offer the opportunity to other Funds. Any initial investment by a Fund in a company in which another Fund (including a predecessor or successor Fund) has an existing investment is subject to the approval of the applicable Fund's advisory committee, if any.

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

As is customary and in accordance with a Fund's Organizational Documents, a Fund's General Partner will establish reserves for follow-on investments by a Fund in portfolio companies, operating expenses (including Advisory Fees), liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. If reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts. Further, the allocation of investment opportunities among the Funds may depend on their respective reserves at the time of allocating the opportunity, possibly resulting in lower returns if any of such reserves were later determined to be inadequate or excessive.

Conflicts Relating to the General Partner and the Adviser

The Adviser has in the past and may in the future, in its discretion, contract with any related person of the Adviser (including to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser has an incentive to recommend the related person even if another person may be more qualified to provide the applicable services or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their

personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services or can provide such services at a lesser cost.

In addition, the Adviser may compete against, or engage in business with (e.g., through co-investments and joint ventures) another investment adviser with which the Adviser or its affiliates or a member of their personnel has a relationship, or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. The Adviser will ensure that any investment made by a Fund is bona fide and made in accordance with the best interest of the Fund.

To the extent permitted by a Fund's Organizational Documents, the Adviser, its affiliates, and officers, Managing Directors or employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to the Funds. In addition, such officers, Managing Directors or employees may buy securities in transactions offered to but rejected by a Fund. A conflict of interest may arise because such investing Adviser Personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing Adviser Personnel will not share or reimburse the relevant Fund(s) or the Adviser for any expenses incurred in connection with the investment opportunity. Such transactions are subject to the policies and procedures adopted by the Adviser from time to time. The investment policies, fee arrangements, and other circumstances of these investments may vary from those of the Adviser's other Funds or clients of its affiliates. In addition, officers and employees may also buy securities in other unaffiliated investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. While such an investment may create a conflict of interest (for instance, not bringing an investment opportunity to the Fund if there is a greater financial incentive to see the competitor fund make such an investment), the significant interests of the officers and employees of the Adviser in the applicable General Partner and the applicable Fund (including economic interests) generally provides a strong alignment with the Fund. Furthermore, the Adviser, its affiliates, certain of its principals and employees, and their relatives invest in and alongside a Fund and therefore may have additional conflicting interests in connection with these investments. While the significant interests of the officers and employees of the Adviser generally aligns the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity).

Adviser Personnel from time to time serve on the boards of issuers. Adviser Personnel may also serve as directors or interim executives of, or otherwise be associated with, companies that are competitors of certain issuers of portfolio investments of a Fund. In such cases, such individuals may be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. In most cases involving a Fund's portfolio investments, given that the Fund would generally be a significant investor in such companies, the interests of the Fund and its portfolio investments would generally be expected to be aligned, although this may not always be the case, particularly if portfolio investments are likely to be in financial difficulty. It would also be expected that the interests of a competitor company would often not

be aligned with those of a Fund or a Fund's portfolio investment issuers. This may result in a conflict between the relevant individual's obligations to an issuer or a competing company and the interests of the Fund. Such conflict may be addressed to the detriment of the competitor company and the interests of the Fund. In some circumstances, having Adviser Personnel serve as directors or interim executives of the issuer of a portfolio investment of the Fund or another company may restrict the ability of a Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

From time to time, the Adviser or Adviser Personnel (including Managing Directors) have in the past and may in the future invest in or provide certain services or assistance (e.g., strategic advice or certain other assistance in connection with fundraising efforts or "back-office" functions) to other investment funds that are not otherwise affiliated with the Adviser or the Funds or to the General Partners or managers of such other investment funds. Any compensation or equity interest received by the Adviser or Adviser Personnel (including Managing Directors) from such other funds would be retained by the Adviser or its associated persons (including Managing Directors) for their own benefit and would not benefit the Funds or their investors.

The Funds have invested, and may in the future invest, in companies that have been founded by former Adviser employees, or with respect to which former Adviser employees are involved as founders, employees or otherwise, and the Funds may also make such investments if the applicable General Partner determines that any such investment is appropriate for the Fund.

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser would not otherwise have done so. In addition, as reserves are in certain situations taken into account in calculating Advisory Fees, the Adviser has an incentive to establish a greater amount of reserves, which may cause a Fund to decline attractive investment opportunities.

Additionally, as discussed above in Item 6, the General Partners of many Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Certain Funds have been established to invest alongside certain other Funds in order to support larger investments. Decisions regarding the allocation of investment opportunities (both new opportunities and follow-on opportunities) between such Funds create potential conflicts of interest for the Adviser. For example and without limitation, the Advisory Fee for one Fund is typically based on invested capital while the Advisory Fee for the other Fund is based on aggregate capital commitments, which may create an incentive for the Adviser to allocate more investment opportunities (or a larger portion of investment opportunities) to the Fund whose Advisory Fee is based on invested capital in order to increase the aggregate amount of Advisory Fees paid by the

two funds collectively. In addition, investment losses realized by one Fund will not offset investment gains realized by the other Fund and the Carried Interest will be determined separately for each Fund, which may create an incentive for the Adviser to allocate certain investment opportunities (or a larger portion of certain investment opportunities) to the Fund from which it expects to generate the more significant return for the Fund's General Partner.

Similarly, certain Funds are formed to invest alongside another Fund in a single portfolio company. In that instance, as the Carried Interest paid by the Funds is calculated independently, the Adviser may experience a conflict of interest in that it may be incentivized to allocate more of such opportunity to the Fund formed to invest in the single investment to the extent it has the expectation that such allocation would generate a more significant, or more immediate return for the Fund's General Partner.

Pursuant to the Organizational Documents of certain Funds, the General Partner will be entitled to receive distributions in respect of its Carried Interest in certain circumstances if the remaining value of a Fund's investments exceeds a certain amount. In addition, the Advisory Fee payable by certain Funds for certain periods takes into account the aggregate value of the Fund's remaining portfolio investments. As a result, the Adviser has an incentive to value unrealized investments held by the Fund, which generally will be privately-held investments that are difficult to value, higher than it might otherwise have in the absence of such Carried Interest and Advisory Fee arrangements.

Pursuant to the Organizational Documents of certain Funds, the General Partner may be required to return excess amounts of Carried Interest as a "clawback." This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and Advisory Fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, and to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would generally be used for all investors in such Fund on a pro-rata basis, including the General Partner.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, though the Funds generally borrow on a short term basis, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than it otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

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

Other Consultants

The Adviser expects to engage, or to cause the Funds to engage, consultants from time to time, including consultants made available through "expert networks," to provide services to the Funds or their portfolio companies for particular purposes or particular projects, including to provide diligence-related research and analysis for a Fund in advance of the Fund making an investment in a portfolio company, and such consultants may receive fees or other remuneration and expense reimbursement (including travel and travel-related expenses) from the Fund or the applicable portfolio companies. Such services may include, among others, assisting the Adviser with technical, financial, regulatory, legal, tax or marketing research or due diligence with respect to companies in which a Fund is considering an investment or has invested, providing technical, financial, regulatory, legal, tax or other operational services to portfolio companies or serving on the board of directors of portfolio companies, including service in board seats controlled by the Adviser or the Fund or with respect to which the Adviser or the Fund has the right to designate a director. Any compensation or equity received by any such consultant from portfolio companies will not offset the management fee payable by the Fund or otherwise benefit the Fund or its investors.

Although the use of consultants, and allocation of expenses and fees paid to consultants, may subject the Adviser and its affiliates to potential conflicts of interest, the Adviser believes any such potential conflicts of interest are mitigated by the expected savings to the portfolio companies (and, in turn, the relevant Fund(s)) that will be applied if the cost of the consultant is lower than market rates for the services provided, or if the services provided by the consultants are consistent with the business strategy the Adviser has for the relevant portfolio company.

Diverse Membership

The investors in a Fund may have conflicting investment, tax, and other interests with respect to their investment in the Fund. Such interests of some or all of the investors may conflict with the interests of the applicable General Partner with regard to such matters. The conflicting interests of the investors may arise from, among other things, the nature of investments made by the Fund, the structuring of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature, structuring or disposing of investments that may be more beneficial for some investors than for others or more beneficial for the General Partner, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the applicable General Partner will not consider the investment, tax or other objectives of any investor individually, except as otherwise required by the Organizational Documents of the Fund (including provisions related to avoiding "unrelated business taxable income" or "effectively connected income") or side letters entered into with investors. In connection with certain

investments (such as investments in operating companies treated as partnerships for U.S. federal income tax purposes), the applicable General Partner may form “alternative investment vehicles” pursuant to which certain investors participate directly or indirectly through a “blocker corporation” (and bear the burden of taxes and certain other expenses and, to the extent feasible, reductions in proceeds incurred in connection with the formation and operation of such “blocker corporation”) while other investors (including the General Partner) participate through a tax transparent entity without an intervening “blocker corporation.” This may create conflicts for the applicable General Partner, particularly in structuring an exit from such investments given the varying tax implications to the General Partner and investors resulting from different exit structures. Returns from such investments to the applicable General Partner, including in respect of its Carried Interest, typically would not be reduced by any taxes, other expenses or reductions in proceeds borne by any investor participating in such investments directly or indirectly through a “blocker corporation.” In other cases, the applicable General Partner may elect to structure investments by a Fund through simpler structures (such as a “blocker corporation” between the Fund and the portfolio company) that may be less tax efficient to the Fund or the investors as a whole in order to avoid the cost, time or administrative complexity associated with more complicated investment structures that potentially could be used to address the requirements of the Organizational Documents of a Fund or side letters related to tax matters.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser’s business and the portfolio companies in which the Funds have invested, there are, from time to time, situations when the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments, or discounts to the Adviser, an affiliate, or a portfolio company. In addition, portfolio companies of one Fund and portfolio companies of another Fund may engage in commercial transactions (including mergers and acquisitions) with one another from time to time as they determine to be appropriate in their business judgment. The Adviser anticipates that material transactions between portfolio companies generally would be on arm’s-length terms or on terms otherwise considered to be equitable to both companies under the circumstances. However, such transactions could benefit the portfolio company of one Fund (and such Fund, indirectly) more than the portfolio company of the other Fund (and such Fund, indirectly). Accordingly, the Adviser will generally 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 the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. Although use of any such products or services by a portfolio company of a Fund would be the portfolio company’s choice, the Fund’s portfolio company may nevertheless be conflicted in their choice of vendors and might select the other portfolio company when there may be better or cheaper products or services offered by unrelated parties. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Portfolio companies have in the past, and may, from time to time in the future provide services to certain investors in the Funds. The Adviser has an incentive to recommend the portfolio company

to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund.

In addition, certain portfolio companies of a Fund have in the past, and may, from time to time, in the future engage in activities that could adversely affect another Fund or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection, and labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as, the entity that has incurred the liability. This may result in the assets of a Fund or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

From time to time, the Adviser anticipates that it will be presented with an investment opportunity for a Fund in a company that is a competitor of a portfolio company of another Fund. The Adviser may decline to pursue such opportunity for the Fund because of the competitive situation even though the opportunity might otherwise be an attractive one for the Fund. On other occasions, the Fund may invest in companies that are, or that subsequently become, competitors of other companies in which the Fund has invested or in which another Fund has invested. Furthermore, such competitive situations may result in conflicts for the Adviser and its personnel in their ongoing interactions with the competitive companies and could, in certain circumstances, result in the Adviser receiving less information about such companies than it might have received in the absence of such competitive situation. Competitive situations could also result in a Fund or the Adviser and its associated persons (who are generally indemnified by the Fund) facing legal claims regarding misuse of a company's confidential information, breach of duties to the portfolio companies, or other matters related to the competitive situation.

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

to, or otherwise affiliated with, the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Service Providers

Certain investors or their affiliates may from time to time in the ordinary course of their business activities provide services to the Adviser, a Fund, or a Fund's portfolio companies (e.g., banks that are affiliates of investors may act as lenders to the Adviser, a Fund or a Fund's portfolio companies). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. The Adviser anticipates that any such services provided to a Fund or its portfolio companies would be on arm's-length or otherwise customary market terms and not on terms that favor any such investor (or its affiliates) as a result of its status as an investor.

Certain service providers to the Funds or their portfolio companies (e.g., lawyers, accountants, lenders, banks, brokers, tax advisors) also provide services to the Adviser or its personnel or affiliates. The terms on which such services are provided to such persons and entities may, in certain circumstances, differ from (and be more favorable than) those on which similar services are provided to the Funds or their portfolio companies or other third parties. In other cases, the Adviser and its personnel may benefit from pricing discounts offered by service providers to both the Funds and the Adviser and its personnel and affiliates (as compared to pricing available to other customers) that may primarily be the result of volume of activity (or expected volume of activity) with such service providers from the Funds and their portfolio companies. However, it is the Adviser's practice to seek service providers for the Fund (and, if requested to recommend services providers for portfolio companies) that it believes are in the best interests of the Fund (or its portfolio companies) based on their merits and not on the services, or the terms of such services, provided to the Adviser or its personnel or affiliates.

Additionally, employees of the Adviser or its affiliates, or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds, or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price or quality of service could be obtained from another person. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements,

there will be situations in which the Adviser receives more favorable service rates or arrangements than the Funds or their portfolio companies.

The Adviser, or its affiliates and service providers, often charges varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and its portfolio companies.

Positions with Portfolio Companies

The Funds have representatives that serve on the boards of directors of portfolio companies and will, as a result, be subject to fiduciary obligations to make decisions that they believe to be in the best interests of the portfolio company. Although in most cases the interests of a Fund and its portfolio companies will be aligned, this may not always be the case, particularly if a portfolio company is in financial difficulty. This may result in a conflict between the relevant director's obligations to the portfolio company (or companies) and its various stakeholders, on the one hand, and the interests of the Fund, on the other hand. In some circumstances, having a representative of a Fund serve as a director of a portfolio company may restrict the ability of the Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such portfolio company. In addition, certain investment opportunities that might otherwise represent potential portfolio investments for the Fund may instead be offered to portfolio companies of other Funds as add-on acquisitions by such portfolio companies to the extent that such opportunities are complementary to, or enhance, such portfolio companies' businesses. Decisions made by a director may subject the Adviser, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims.

In addition, Adviser Personnel and portfolio company executives (including XIRs) from time to time provide services (e.g. service as a board member or advisor) to multiple portfolio companies of one or more Funds, and such persons may have competing obligations, interests, and time commitments with respect to such portfolio companies. In that instance, certain conflicts of interest may arise as a result of: (i) competing demands on such person's time commitments to such portfolio companies, (ii) the divergence in interests of such portfolio companies, and (iii) the differences in compensation paid to such person by the portfolio companies (including a situation in which the person is compensated exclusively by one portfolio company while providing services to both portfolio companies). In each case, as a result, one portfolio company or Fund may benefit at the expense of another portfolio company (including the portfolio company of another Fund) or another Fund.

In addition, in connection with some investments, certain Co-Investors, including XIRs (or other actively involved individuals where the XIR program structure or similar structure has been implemented) receive fees or equity from a portfolio company (including Newcos and Identified

Companies) in connection with services to be provided by such Co-Investor to the portfolio company (including service on the board of directors).

From time to time employees of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Such companies are not portfolio companies of the Fund and as a result, any compensation received by such Adviser employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds or investors.

Certain Adviser Personnel may be seconded to one or more portfolio companies and provide finance and other services to such portfolio companies and the compensation and expenses for such personnel during the secondment may be borne by the portfolio companies. To the extent the Adviser receives any fees or expense reimbursement from a portfolio company with respect to such personnel, it is expected that they will not result in any offset against the Advisory Fees payable by a Fund.

Side Letter Agreements; Advisory Committee Rights

The Adviser often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, which may, in certain instances include: different fee structures and other preferential economic rights; information and reporting rights; excuse or exclusion rights; waiver of certain confidentiality obligations; co-investment rights; certain rights or terms necessary in light of particular legal, regulatory, or policy requirements of a particular investor; additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor; veto rights; and liquidity or transfer rights. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Many of the Funds have established an advisory committee consisting of representatives of investors. While infrequent, certain members of an advisory committee of a Fund represent investors (or affiliates thereof) that have an ownership interest in such Fund's General Partner or the Adviser, or otherwise have a business or economic relationship with the Adviser. A conflict of interest may exist when some, but not all, investors in a Fund are permitted to designate a member to the advisory committee of a Fund. The advisory committee of a Fund may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to such advisory committee. In general, investors in the Funds will not be entitled to control the selection of members of the advisory committees or to review the actions or deliberations of the advisory committees. Representatives of the advisory committees may have various business and other relationships with the Adviser and its partners, employees, and affiliates. These relationships may influence the decisions made by such members of the advisory committees.

In addition, some or all of the members of a Fund's advisory committee will likely also be on the advisory committee of another Fund with which there is a potential conflict or will likely represent investors that have an interest in both Funds. The Adviser anticipates significant overlap between

members of the advisory committees for the Funds. Such members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflicts of interest, including between Funds.

Other Potential Conflicts

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

The Adviser, its affiliates and the Funds will often engage common legal counsel and other advisers in a particular transaction, including transactions in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in the Funds. In the event of a significant dispute or divergence of interest between a Fund and the Adviser and its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates. Moreover, in litigation and certain other circumstances separate representation may be required.

Additionally, certain other service providers to a Fund or its portfolio companies (e.g., accountants, lenders, banks, brokers, tax advisors) are also expected to provide services to the Adviser or its personnel or affiliates. The terms on which such services are provided to such persons and entities may, in certain circumstances, differ from (and be more favorable than) those on which similar services are provided to a Fund or its portfolio companies or other third parties. In other cases, the Adviser and its personnel and affiliates may benefit from pricing discounts offered by service providers to both a Fund and the Adviser and its personnel and affiliates (as compared to pricing available to other customers) that may primarily be the result of volume of activity (or expected volume of activity) with such service providers from Funds (and their portfolio companies). However, it is Adviser's practice to seek to select service providers for the Funds (and, if requested to recommend service providers for portfolio companies) that it believes are in the best interests of the Funds (or their portfolio companies) based on their merits and not based on the services, or the terms of such services, provided to the Adviser or its personnel or affiliates. From time to time, the Adviser reviews its selection of service providers for the Funds and the arrangements between the Funds and such service providers. This creates a conflict of interest between the Adviser, on the one hand, and the Funds or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds or the portfolio companies.

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

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

The Adviser has in the past and may, from time to time, in the future, cause one or more Funds to purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Adviser and their respective directors, officers, employees, agents, representatives, members of the advisory committees, and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs, and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the advisory committee, and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs, and expenses for such “umbrella” or other insurance policies among one or more Funds or the Adviser, on a fair and reasonable basis, 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 Fund bearing less (or more) premiums, fees, costs, and expenses for insurance policies.

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

Subject to the consent of the applicable advisory committee, a Fund may invest in other investment funds or similar entities. The Adviser generally expects that any such investments by a Fund would be relatively small investments in terms of dollars invested and generally made at least in part for strategic reasons (e.g., when the Adviser believes there is potential to get additional investment opportunities alongside the other investment fund or entity). A Fund’s investment in such other fund or entity may be subject to a management fee and Carried Interest in favor of the sponsors or managers of the other fund or entity. This may result in an extra layer of management fee and Carried Interest being borne indirectly by investors in such Fund because any fee or Carried

Interest paid by the Fund to the sponsors or managers of such other fund or entity is not expected to result in a reduction in the Advisory Fees or Carried Interest payable by the Fund. Similarly, investments by a Fund in other funds would result in an additional layer of expenses (i.e., expenses incurred by such other fund) that would be borne indirectly by the Fund and its investors. Investment opportunities that derive from the sponsors or managers of an investment fund or entity in which a Fund has invested may be offered to other Funds even if a main reason for the Fund's investment in the other fund or entity was for potential deal flow.

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of investors' share of such securities and distributing the net cash proceeds of such sale of securities to the investors. This ability creates conflicts of interest between the General Partners and the investors in the applicable Fund, because the General Partner may have an incentive to cause the Fund to exit an investment at a time that may result in investors receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as investors). Furthermore, the General Partner or its affiliates may receive distributions in kind from an investment disposition. In the event the General Partner or its affiliates receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

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

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

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

While unusual and unlikely, for each of the Funds, the Adviser has, subject to the direction of such Fund's General Partner, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the most favorable price and execution for such account, taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. The lower possible commission cost is not necessarily sought in that it may not result in the best quality execution of transactions effected for a Fund.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's CCO takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's CCO will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

A "soft dollar" arrangement is an arrangement whereby an investment adviser directs client brokerage, or pays higher commissions, to a particular broker-dealer in return for research or other services from such broker-dealer. The Adviser currently does not have any formal or informal "soft dollar" arrangements whereby it receives research or brokerage products or services. The Adviser may, however, receive proprietary research and other limited benefits from broker-dealers incidental to doing business with such broker dealer, but only where (i) there is no arrangement to direct a specific amount of commission business to such broker-dealer in exchange for such benefits and (ii) the Adviser does not "pay up" for such items in the form of higher commissions on Fund trades.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly

traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of the Funds are generally private, illiquid, and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio investments of the Funds and generally maintains an ongoing oversight position in such portfolio investments. Portfolio investments are reviewed by the investment professional(s) who are primarily responsible for such portfolio investment and other investment professionals who are part of the same group, on an ongoing basis.

Reporting

Investors in a Fund should refer to the Organizational Documents of such Fund for further information on the reports provided to a particular Fund's investors. The Organizational Documents of certain Funds may require investors in the Funds to receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as unaudited financial statements within 45 days after each fiscal quarter end.

The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate, including written investor letters with respect to a Fund and its performance, and certain other reports and analyses to investors and potential investors upon request.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above as well as the Organizational Documents of each Fund. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds or the customers or suppliers of such portfolio companies. The potential for the Adviser and its related persons to receive such economic benefits may create conflicts of interest as the Adviser and its related persons may have economic incentives to invest in portfolio investments that provide such benefits, and because such discounts could adversely affect the applicable portfolio company's profitability.

While not a client solicitation arrangement, the Adviser has in the past, and may from time to time in the future, engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. In accordance with the Organizational Documents of a Fund, the economic burden of such placement agent fees are generally borne by the Adviser.

Item 15. Custody

The Adviser and its affiliates are deemed to have custody of funds and securities of the Funds because it has the authority to obtain funds or securities of the Funds, for example, by deducting advisory fees from a Fund's account or otherwise withdrawing funds from a Fund's account. Rule 206(4)-2 under the Advisers Act (the "Custody Rule") imposes certain requirements on registered investment advisers who have actual or deemed custody of clients. However, the Adviser is exempt from (or is deemed to comply with) many of the provisions of the Custody Rule because (i) each Fund is audited in accordance with U.S. Generally Accepted Accounting Principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements are distributed to each investor in the Funds within 120 days of the end of each Fund's fiscal year, and (ii) each Fund's assets are held at a qualified custodian to the extent required by the Custody Rule. Such qualified custodians include prime brokers, banks, and other broker-dealers.

Item 16. Investment Discretion

The Adviser has discretionary authority to determine the portfolio investments to be bought and sold on behalf of each Fund. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and Organizational Documents of the applicable Fund. This discretionary authority is subject to the investment objectives, policies and restrictions which, if any, are generally set forth in the Organizational Documents of a Fund.

Item 17. Voting Client Securities

Although the Funds invest primarily in private companies that generally do not issue proxies, the Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("Votes"). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

Funds cannot direct the Adviser's Vote.

All Voting decisions initially are referred to the appropriate Managing Director, or equivalent investment lead, for review and consideration. The respective Managing Director is responsible

for notifying the Adviser's Chief Legal Officer ("CLO") of each Vote. The Adviser's investment professionals are responsible for making voting decisions with respect to all proxies and for providing required documentation to the CLO. The Adviser's investment professionals are responsible for ensuring that proxies are voted and submitted in a timely manner. Conflicts of interests in connection with any Vote will be resolved after such conflicts are reviewed by the CLO and the Adviser's Investment Conflicts and Allocation Committee. Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to:

Anthony Dell, Chief Compliance Officer
General Catalyst
20 University Road, Suite 450
Cambridge, MA 02138
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With respect to class actions involving companies in which the Funds have invested, the CCO, CLO, and applicable Managing Director will determine whether the Funds will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. The CCO oversees the completion of "Proof of Claim" forms and any associated documentation, the submission of such documents to the claim administrator, and the receipt of any recovered monies. The CCO will maintain documentation associated with the Funds' participation in class actions. If the Adviser participates in a class action lawsuit and later receives any recovery amounts, those amounts will generally be credited to the Funds who participated in the investment giving rise to the class action.

Item 18. Financial Information

The Adviser does not require or solicit prepayment of any fees six months or more in advance and does not have any financial conditions that are likely to impair its ability to meet contractual commitments to the Funds

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.