



# **Incline Management, L.P.**

**doing business as Incline Equity Partners**

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March 30, 2022

This Brochure provides information about the qualifications and business practices of Incline Management, L.P., doing business as Incline Equity Partners (the “Adviser”). If you have any questions about the contents of this Brochure, please contact the Adviser at 412-315-7800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Adviser may refer to itself as a “registered investment adviser” which does not imply a certain level of skill or training. Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Adviser’s CRD # is 158858 and SEC # is 801-72683.

## Item 2 – Material Changes

Since its last annual filing on March 27, 2021, the Adviser reports the following material changes to its business:

- ◆ As reported on January 25, 2022, effective January 1, 2022, Justin Bertram, Senior Partner, is no longer a control person of Incline Management, L.P. As of the same date, Deanna Barry, Partner - Chief Financial Officer, has assumed the additional title and duties of Chief Compliance Officer.
- ◆ The Adviser previously amended this Brochure on April 29, 2021 to reflect a minority investment made in the Adviser by investment vehicles managed by a third-party asset management firm as further detailed in Item 10 - Other Financial Industry Activities and Affiliations.

We routinely make changes throughout the Brochure to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and firm practices. We believe that these changes are not material changes and do not describe them in this Item 2. Current or prospective investors in the Funds advised by the Adviser (as defined in this disclosure) may request a copy of the Adviser's current Brochure at any time by contacting Deanna Barry, Chief Compliance Officer, at (412) 315-7788 or [deanna.barry@inclineequity.com](mailto:deanna.barry@inclineequity.com). Additional information about the Adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Adviser's CRD # is 158858 and SEC # is 801-72683.

## **IMPORTANT NOTE ABOUT THIS BROCHURE**

***This Brochure is not:***

- ◆ ***An offer or agreement to provide advisory services to any person;***
- ◆ ***An offer to sell interests (or a solicitation of an offer to buy interests) in any Fund advised by the Adviser; or***
- ◆ ***A complete discussion of the features, risks or conflicts associated with any Fund advised by the Adviser.***

*As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), the Adviser provides this Brochure to current and prospective clients. The Adviser may also, in its discretion, provide this Brochure to current or prospective investors in certain Funds, together with other relevant offering materials, such as the Fund’s private placement memorandum, prior to, or in connection with, such persons’ investment in such Funds.*

*Although this Brochure describes the investment advisory services of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant offering materials.*

*More complete information about each Fund advised by the Adviser is included in relevant offering materials which may be provided to current and eligible prospective investors only by the Adviser or its authorized agents. If there is any conflict between information conveyed in this disclosure document and that conveyed in any offering materials, the information contained in the relevant offering materials shall be deemed to govern and control.*

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## **Item 4 – Advisory Business**

### The Management Company

Incline Management, L.P., a Delaware limited partnership, is a private investment management company doing business as Incline Equity Partners. Headquartered in Pittsburgh, PA, with offices in New York, NY, Incline Equity Partners was formed in April 2011 to provide investment advisory services to private equity fund clients through limited partnership interests, focusing on private investments in lower middle-market growth companies. Incline Management, L.P. is controlled by John (“Jack”) C. Glover and Leon M. Rubinov (together, the “Principals”).

In August of 2011, Incline Equity Partners registered as an investment adviser with the SEC to provide investment management services exclusively to private equity funds that are pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (“Investment Company Act”).

The following are certain affiliated entities of Incline Equity Partners (the “general partners,” and together with Incline Equity Partners, the “Adviser”):

- ◆ Allegheny Capital Partners II, LLC
- ◆ Incline GP III, LLC
- ◆ Incline GP IV, L.P.
- ◆ Incline Elevate GP, L.P.
- ◆ Incline GP V, L.P.
- ◆ Incline Elevate GP II, L.P.
- ◆ Incline Ascent GP, L.P.

Each general partner listed above is subject to the Advisers Act pursuant to Incline Equity Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of each affiliated general partner, which operates as a single advisory business together with Incline Equity Partners. The terms ‘Adviser’ and ‘general partner’ are used interchangeably throughout this Brochure.

### The Funds

In September 2011, the Adviser (via a predecessor entity) assumed management of certain private investment funds previously managed by PNC Equity Management Corp. These private investment funds consist of PNC Equity Partners, L.P. (“Fund I”) and PNC Equity Partners II, L.P. (“Fund II”). Fund I was liquidated in 2017. The Adviser also provides advisory services to Incline Equity Partners III, L.P. (together with parallel funds and certain other related vehicles, “Fund III”); Incline Equity Partners IV, L.P. and Incline Equity Partners IV AIV, L.P. (collectively with any alternative investment vehicles that may be established “Fund IV”); Incline Elevate Fund, L.P. and Incline Elevate Fund A, L.P. (collectively with any alternative investment vehicles that may be established “Elevate” or “Incline Elevate”); Incline Equity Partners V, L.P. and Incline Equity Partners V-A, L.P. and IEP V Executive Fund, L.P. (collectively with any alternative investment

vehicles that may be established “Fund V”); Incline Elevate Fund II, L.P. and Incline Elevate Fund II-A, L.P. (collectively with any alternative investment vehicles that may be established “Elevate II”); and Incline Ascent Fund, L.P. and Incline Ascent Fund A, L.P. (collectively with any alternative investment vehicles that may be established “Ascent”). The Adviser has also formed co-investment vehicles to facilitate certain investments made by Fund III and Fund IV, which are disclosed in Schedule D, Section 7.A. of the Adviser’s Form ADV Part 1. The Adviser’s services are provided pursuant to a management agreement with the general partner or manager of each of Fund II, Fund III, Fund IV, Elevate, Fund V, Elevate II, and Ascent, as well as pursuant to the governing documents of the applicable co-investment vehicles. Fund II, Fund III, Fund IV, Elevate, Fund V, Elevate II, and Ascent and co-investment vehicles are referred to collectively in this Brochure as the “Funds.”

As of December 31, 2021, the Adviser had \$3.350 billion in discretionary regulatory assets under management. The Adviser does not manage any assets on a non-discretionary basis. Each of the existing Funds is closed and will not admit new investors.

### Advisory Services

The Adviser tailors its advisory services to the specific investment objectives and restrictions of each Fund pursuant to the investment guidelines and restrictions set forth in each Fund’s confidential private placement memorandum, limited partnership agreement and other governing documents (collectively, the “Governing Documents”). Information about each Fund and the particular investment objectives, strategies, restrictions, and risks associated with an investment are described in the Governing Documents, which are made available to investors only through the Adviser and its authorized agents.

The Funds are offered exclusively to individuals who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “1933 Act”), and/or “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act and are therefore not required to register as investment companies with the SEC in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Investment strategies and guidelines are not tailored to the individualized needs of any particular investor in a Fund. Once invested in a Fund, an investor cannot impose restrictions on the types of securities in which such Fund may invest. Investors in the Funds participate in the overall investment program for the relevant Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory, or other agreed-upon circumstances pursuant to the Governing Documents; provided that such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. Investments in the Funds involve significant risks and should be regarded as long-term in nature, forming only one portion of an investor’s diversified investment portfolio.

### Market Focus

The primary investment responsibility of the Adviser to the Funds is making equity investments in lower middle-market companies located in the United States and Canada. The Funds focus on making investments in select target business models that operate within three core business sectors

(value-added distribution, outsourced services, and niche manufacturing) where the Principals have considerable prior investment experience. Each Fund focuses on change of control buyouts, corporate divestitures, and minority recapitalizations in the lower end of the “middle-market” as that term describes the enterprise value of the target portfolio company. The Funds generally invest in growing companies with enterprise values of \$25 million to \$750 million, as more fully described in each Fund’s Governing Documents.

The Funds seek to enhance the value of portfolio companies by transforming small, entrepreneurial enterprises into larger, professional companies by utilizing the management expertise of the Adviser to effect the following: (a) upgrade and broaden the portfolio company’s management talent; (b) complete strategic acquisitions to improve the competitive capability of the portfolio company; (c) improve operations; and (d) refine stand-alone business strategies to attract prospective corporate parent interest. The investment term of each Fund is specified in the applicable Fund’s Governing Documents.

Each Fund will generally utilize one of the following exit strategies to monetize portfolio assets: (a) sell a portfolio company privately; or (b) take the portfolio company public via an initial public offering or special purpose acquisition company (“SPAC”). It is anticipated that most portfolio companies will be sold to private buyers. The Funds mainly invest in non-public companies, although they reserve the right to invest in public companies subject to any limits set forth in the applicable Fund’s Governing Documents. Each Fund may also hold public company investments as a result of a sale of all or a portion of the Fund’s investments in a portfolio company, such as when a portfolio company goes public or is sold to a public company and the Fund receives stock in such public company. When investing in portfolio companies, the Principals of the Adviser often serve on portfolio company boards of directors or otherwise act to influence the management of these companies until the applicable Fund exits the investment.

## **Item 5 – Fees and Compensation**

### Fees and Compensation

The Adviser typically charges a quarterly advisory fee (the “Management Fee”) as described in relevant Governing Documents. Fees and other compensation paid by a Fund to the Adviser vary from Fund to Fund and may be different from the fees and compensation payable in respect of any successor fund or co-investment vehicle formed to facilitate a Fund investment. Investors should carefully review the Governing Documents of the relevant Fund in conjunction with this Brochure for complete information about fees and compensation. Similar advisory services may be available from other investment advisers for similar or lower fees.

Management Fees (and interest expenses on indebtedness used to pay Management Fees) are initially derived from capital commitments assigned to the limited partner investors in a Fund. The Management Fee will subsequently “step down” to be calculated in line with provisions of applicable Governing Documents. A Fund’s investment period, specified within the Governing Documents, is the limited period in which a Fund is permitted to enter into new investments (often four to six years from the end of the Fund’s fundraising period).

The Management Fee will be reduced by Transaction Fees as further described below in “Transaction Fees.” Where the Governing Documents calculate Management Fees based on the amount of capital commitments, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

#### Carried Interest

In addition to the payment of ongoing Management Fees, the Funds (and indirectly the limited partner investors) are also typically required to allocate to the general partner of the applicable Fund a carried interest based upon a percentage of a Fund’s return on invested capital. Co-investment vehicles formed to facilitate a Fund’s investment typically will not be subject to any carried interest. For additional details about such performance-based compensation, please refer to Item 6 – *Performance-Based Fees and Side-by-Side Management*.

Management Fees, performance-based compensation, and/or any other compensation payable to the Adviser are generally negotiated with the Fund or its underlying investors and may depend on, among other factors, the amount of capital committed to the Fund.

#### Waiver of Management Fees

The Adviser reserves the right to waive a portion of its Management Fee and instead have the limited partner investors contribute a portion of the general partner’s capital commitment to the Funds, although the general partner will share in distributions related to the amount contributed by the limited partners on its behalf. The Adviser will not assess Management Fees on the general partner’s and certain affiliated limited partners’ (such as “friends and family” of the Adviser or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors) portion of a Fund’s committed capital. The Adviser retains the right to reduce the Management Fee due from a limited partner investor at its discretion.

#### Other Fees and Expenses

The Adviser is liable for its normal operating overhead and administrative expenses, including salaries, bonuses and employee benefits, office facilities, back-office support, accounting, management/finance functions, marketing, travel, and other management-related costs to the extent not borne or reimbursed by a portfolio company. In certain instances, these or similar expenses are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company.

The Principals or other current or former employees of the Adviser generally receive salaries and other compensation derived from, which in certain cases is structured to include a portion of, the Management Fee, performance-based compensation (*i.e.*, carried interest) or other compensation received by the Adviser or its affiliates.

In addition to the Management Fee, each Fund, as permitted under the applicable Fund's Governing Documents, will pay, or reimburse the applicable general partner for, all other fees, costs, expenses, liabilities and obligations relating to such Fund's and/or its subsidiaries' activities, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company) (such expenses, "Partnership Expenses"), including all fees, costs, expenses, liabilities and obligations relating or attributable to:

- ◆ Activities with respect to the pursuing, structuring, seeking, organizing, negotiating, acquiring, consummating, evaluating, diligencing (including any subscriptions to any periodicals, databases and/or research services), financing, bidding-on, refinancing, hedging, holding, managing, owning, monitoring, operating, valuing, trading, dissolving, winding-up, liquidating, restructuring, recapitalizing, taking public or private, selling or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments and other transactions involving the deployment of Fund capital) or seeking to do any of the foregoing (including any associated legal, financing, banking, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, financing sources, expert networks, third-party due diligence and deal sourcing providers, software and service providers, advisors, consultants, data providers and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- ◆ Indebtedness (including any credit facility, letter of credit or similar credit support) of, or guarantees made by, the Fund, the Adviser, the general partner, or any "affiliated partner" on behalf of the Fund and/or involving any portfolio company (including any indebtedness entered into pending participation by a co-investor in an investment), including the repayment of principal and interest with respect thereto, or evaluating, negotiating or seeking to put in place any such indebtedness or guarantee;
- ◆ Broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, and similar services;
- ◆ Brokerage, sale, custodial, depository, local paying agent, registered office (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act, as amended, including any law, rule or regulation related to the implementation thereof, trustee, record keeping, account and similar services;
- ◆ Legal, accounting, research, auditing, technology, administration (including fees and expenses associated with the Fund's compliance with any anti-money laundering laws

and regulations and any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals, valuation information gathering software or other technology or pricing services as well as costs related to the establishment or maintenance of such other services), research, consulting (including consulting, advisory and retainer fees, salary, expense reimbursement and other compensation paid to, and benefits or personnel costs provided to or on behalf of, the Operations Group or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs incurred in connection with the establishment or maintenance of any such activities or services and hiring (e.g., headhunter fees, background checks or relocation costs));

- ◆ Reverse breakup, termination, and other similar fees;
- ◆ Financing, commitment, origination and similar fees and expenses;
- ◆ Insurance (including directors' and officers' liability, fidelity bond, management liability, cybersecurity, property and casualty, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs, and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies;
- ◆ Filing, title, transfer, survey, registration and other similar fees and expenses;
- ◆ Printing, communications, mailing, courier, marketing, and publicity;
- ◆ The preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with partners, any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any Fund-related filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information (including an allocable portion of any licensing, maintenance, upgrade and/or implementation fees, expenses and costs of any investor administrative tools (including software and extranet tools) related to the foregoing) or other information, including fees, costs and expenses of any third-party service providers and professionals related to the foregoing;
- ◆ The reporting, filings and other ongoing compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation (excluding, for clarity, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements;

- ◆ Developing, structuring, maintaining, operating and winding up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Fund (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the Fund's share of any such costs of any such structure involving other persons managed by, or affiliated with, the Adviser, the relevant general partner or any of their respective affiliates);
- ◆ Compliance with any financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard and any similar laws, rules and regulations, and any fees, costs and expenses of any third-party service providers and professionals related to the foregoing;
- ◆ Developing, licensing, implementing, maintaining, or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting and ledger systems, financial management and cybersecurity software) or other administrative, valuation, information gathering or reporting tools (including subscription-based services);
- ◆ Any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and expenses incurred in connection with the EU Data Protection Law or FOIA);
- ◆ To the extent provided in the Governing Documents or otherwise approved by the general partner in its sole discretion, proceedings, and activities of an advisory board (including any out-of-pocket costs and expenses incurred by representatives of the general partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of an advisory board);
- ◆ Indemnification (including legal and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents;
- ◆ Actual, threatened or otherwise anticipated governmental inquiry, examination, investigation, proceeding, litigation, mediation, arbitration, or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, fine, other award or settlement entered into and paid or payable in connection therewith;
- ◆ Any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, inquiry, investigation, settlement, or review of a Fund (except to the extent that a Fund is reimbursed therefor by a partner, or such

tax, fee or charge is treated as having been distributed to the partners pursuant to Governing Documents) and any costs and expenses of or related to the “partnership representative” of the Fund;

- ◆ Any annual limited partner meeting or other periodic or special , if any, meetings of the limited partners and any other conference, meeting, or webcast or other video conference with any limited partner(s) and any periodic meeting, training program and/or event involving portfolio company management, in each case to the extent incurred by the Fund, the general partner or any other affiliate of the general partner; except as otherwise set forth in the Governing Documents, compliance, or regulatory matters, including compliance with the Governing Documents and/or any side letters;
- ◆ The hosting of or attending training programs and meetings and/or events for portfolio companies and/or their personnel;
- ◆ Except as otherwise determined by the general partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of the Fund and its subsidiaries;
- ◆ The termination, liquidation, winding up, structuring, restructuring or dissolution of the Fund and any legal entities owned directly or indirectly by the Fund, including portfolio companies and related entities;
- ◆ Defaults by partners in the payment or timely payment of any capital contributions;
- ◆ Amendments to, and waivers, consents, or approvals pursuant to, the constituent documents of the Fund, any entities owned directly or indirectly by the Fund (including portfolio companies) and any alternative investment vehicle of the Fund, including the preparation, distribution, and implementation thereof;
- ◆ Compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering (including any validation of any payments made in connection with any voluntary or compulsory review), sanctions, anti-terrorism or environmental, social or governance considerations), including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto and any regulatory expenses of the general partner incurred in connection with the operation of the Fund and/or any costs and expenses related to the validation or other confirmation of any payments made to (or payment-related instructions received by) the Fund or the general

- partner (including pursuant to or otherwise in connection with any anti-money laundering laws, rules or regulations);
- ◆ Any litigation or governmental inquiry, investigation or proceeding, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents;
  - ◆ Any consultants, experts or advisors, including independent appraisers, engaged by the general partner in connection with the Fund considering, making, holding, or disposing of, directly or indirectly, an investment in the same entity as one or more other affiliated funds;
  - ◆ Unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner or any Limited Partner's name change, internal restructuring or change in registered agent or custodian;
  - ◆ Distributions to the partners and other expenses associated with the acquisition, holding and disposition of investments, including extraordinary expenses;
  - ◆ Unreimbursed expenses and unpaid fees of the Operations Group or its members, employees or other persons engaged by the Operations Group;
  - ◆ Attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the general partner, the Adviser or any of their respective affiliates at any private equity trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs;
  - ◆ Any travel (including the cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned, partially owned or leased by the Adviser, any of its affiliates or any of their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives or affiliates), in each case, at a cost not to exceed an amount that the general partner reasonably determines to be equivalent to a first class commercial airfare, other air travel, car or ride sharing services or other modes of transportation), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
  - ◆ Gifts or mementos given to Fund investors, portfolio company management or personnel and/or other individuals in connection with any annual meeting, conference, webcast, or event described above;
  - ◆ Any of the items listed in the expense items above relating to any investment, transaction, project or other opportunity not consummated or otherwise not successful

and/or that may have been offered to co-investors (including such co-investors' share of any expenses related to an investment or other opportunity not consummated);

- ◆ Any Organizational Expenses (as defined herein);
- ◆ Legal counsel, consultants and/or other service providers engaged to procure, develop, establish, review, revise, customize and/or negotiate relationships relating to the foregoing items;
- ◆ Any placement fee expenses; and
- ◆ Any other fees, costs, expenses, liabilities, or obligations approved by the Advisory Board.

Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Each Fund also generally will bear the costs of implementing, monitoring, and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As a general matter, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

If a Fund proposes to structure an investment using a blocker corporation or other intermediate entity to avoid causing certain limited partners to incur unrelated business taxable income or ECI (effectively connected with the conduct of a trade or business within the United States), all costs, expenses and reduction in proceeds attributable to such blocker corporation or other intermediate entity, including those related to the structuring, formation, operation and liquidation of, and all taxes incurred in connection with, related to or imposed on, a blocker corporation or other intermediate entity shall be borne solely by the limited partners investing through such blocker corporation or other intermediate entity. In certain cases, these or similar expenses are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to the Adviser and its personnel. The Adviser reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more

investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation.

In certain circumstances, the Adviser, intermediate holding companies or portfolio companies will prepay or otherwise bear ongoing expenses (*e.g.*, audit expenses) that are attributable to blocker corporations, other intermediate entities or co-investment vehicles that hold interests (directly or indirectly) in such intermediate holding companies or portfolio companies. Such prepaid or otherwise borne expenses will be netted out of any distributions that result from the disposition of such intermediate holding companies or portfolio companies such that these expenses (if any) are ultimately borne by the blocker corporations, other intermediate entities, or co-investment vehicles to which they are attributable. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

If the relevant general partner, the Adviser, or their affiliates bear any Partnership Expenses, they are entitled to be reimbursed by a Fund or to offset such amounts against any reduction of the Management Fee as described above.

As further described herein and in the Governing Documents, it is the Adviser's practice to create an operations group (the "Operations Group") comprised of persons retained or employed by the Adviser, general partner or any of its affiliates primarily to provide manufacturing, sales, marketing, technology, human resources, acquisition integration/rationalization, supply chain, logistics, sourcing and/or other operations services, acquisition or other due diligence, or similar services to a Fund or any current or prospective portfolio company of a Fund. As used herein, the Operations Group includes "operating executives" (as defined herein) and the Catalyst Group (as further discussed below). The use of the Catalyst Group subjects the Adviser to conflicts of interest, as discussed below in the "Potential Conflicts of Interest" section of Item 8 – *Methods of Analysis, Investment Strategies and Risk of Loss*. Operations Group members are expected from time to time to include former employees of the Adviser or certain portfolio companies, and in some circumstances former Operations Group members are expected to become Adviser employees or employees of portfolio companies. Consequently, the determination of whether individuals are Operations Group members is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Adviser otherwise would be required to bear.

The Adviser refers to the group or persons employed by the Adviser, general partner or any of its affiliates for such purposes as its "Catalyst Group." If not provided by the Adviser, general partner, or its affiliates, the services provided by the Catalyst Group typically would otherwise be performed by third party consultants or portfolio company employees. The cost of services performed by members of the Catalyst Group directly for a particular portfolio company are charged to, and paid by, such portfolio company based on the time devoted to providing such services directly to the portfolio company by the Catalyst Group member at an hourly rate, as

determined by the Adviser. In most circumstances, such compensation will not be reviewed or approved by an independent third party. The Adviser expects to consult with each portfolio company regarding the Catalyst Group's hourly rate, the scope of services, and payment arrangements in connection therewith prior to delivery of such services. A written agreement will be executed between the Adviser and the relevant portfolio company to memorialize the arrangement. Additionally, the relevant portfolio company will reimburse the Adviser for the reasonable out-of-pocket expenses (including travel, lodging, meals, or entertainment) incurred by the Catalyst Group member(s) during the course of performing such services on behalf of the portfolio company.

Any compensation, including fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Operations Group members will be directly or indirectly borne by limited partners and may be paid by a portfolio company or prospective portfolio company (which payments are not included as "Transaction Fees") or directly by a Fund and will not otherwise offset or reduce the Management Fee. Any compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear their share of the costs of all Operations Group member compensation as well as fees, costs, and expenses of structuring Operations Group member arrangements.

For legal, tax, regulatory, accounting, or other similar reasons, a Fund may form one or more alternative investment entities to make, restructure or otherwise hold investments, including outside of a Fund (including any flow-through investment vehicle). Generally, in such event, each limited partner that participates in such an alternative investment vehicle would do so on substantially the same terms and conditions as it participates in the Fund; provided that each limited partner elects through a subscription agreement whether to participate in flow-through investment vehicles. Alternative investment vehicles are included in all references to a Fund throughout this Brochure, as appropriate.

This list does not represent all applicable fees and expenses borne by a Fund. For further discussion of brokerage fees, commissions and other related transaction costs and expenses, please refer to Item 12 – *Brokerage Practices*.

#### Allocation of Fees and Expenses

A Fund generally pays (or reimburses the Adviser) for its proportionate share of fees and expenses which are incidental or related to the maintenance of the Fund or the buying, selling, and holding of investments according to the methodology set forth in the Governing Documents of such Fund. Expenses that are attributable to more than one Fund generally are allocated among such Funds based on a methodology deemed appropriate and equitable by the Adviser, for example on the basis of respective aggregate capital commitments or net assets under management. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund.

The Adviser pays its share of any expenses that are attributable to management company operations. The Adviser's Chief Financial Officer is responsible to oversee the fee and expense allocation process.

As described further in Item 12 – *Brokerage Practices*, in certain circumstances, the Adviser reserves the right to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Adviser's related policies and the relevant Governing Documents and/or side letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the general partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction.

#### Transaction Fees

The Management Fee will be reduced by an amount equal to 80%-100% of Transaction Fees attributable to partners not designated as "affiliated partners" by the general partner. Transaction Fees include any: directors' fees, financial consulting fees or advisory fees paid to the general partner with respect to any Fund investment; transaction fees paid to the general partner with respect to any Fund investment; and break-up fees with respect to Fund transactions not completed that are paid to the general partner, in each case net of certain expenses (including those described below) as set forth in the Governing Documents; but not including, in any event, any amount received by the general partner, the Operations Group (or a member thereof) or any other person from a portfolio company (a) as reimbursement for expenses directly related to such portfolio company, (b) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, or (c) as compensation for services provided by the general partner or other person as an employee of or in a similar capacity for such portfolio company, or any fees, expenses or compensation (including fees, incentive equity, stock awards or other non-cash compensation) paid to, or received by, members of the Operations Group from a Fund or any portfolio company or prospective portfolio company and any other fees or expenses approved by the advisory board.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the general partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

As permitted by the Governing Documents, the Adviser will, for Fund IV, Fund IV AIV and later funds, reduce Management Fees only by the portion of Transaction Fees relating to the Fund's investment in a particular portfolio company, and not by any portion of such Transaction Fees that are allocable to co-investors (which portion may be retained by the Adviser and/or its affiliates and/or distributed to co-investors, as determined by the Adviser and/or such co-investors). Accordingly, Fund IV, Fund IV AIV and later funds will, in most cases, only benefit from the

Management Fee reduction described above with respect to its allocable portion of any such Transaction Fees and not the portion of any fees allocable to any other investor, *e.g.*, co-investors (which could include co-investment vehicles managed by the Adviser, third parties, portfolio company management or employees and/or others), in a portfolio company and a general partner (or any affiliate thereof) will be permitted to receive and retain any such portion allocable to other investors. Unless otherwise agreed with investors, Transaction Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the Adviser reserves the right to accrue, defer or forego payments of Supplemental Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

#### Organizational Expenses

A Fund will pay or reimburse the general partner (or any affiliate thereof) for the Fund's and its affiliated entities' structuring, organizational, funding and startup expenses (as further set forth in the Governing Documents) ("Organizational Expenses"), including travel (which includes the cost of using or chartering private aircraft or other private air travel, including the use of a private aircraft owned, partially owned or leased by the Adviser), lodging, meals, entertainment, printing, mailing, courier, legal, capital raising, accounting, regulatory compliance, including initial and/or preliminary registrations, filings and compliance and other offering requirements contemplated by the Alternative Investment Fund Managers Directive (2011/61/EU) and any related rules and legislation, including any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction or any similar law, rule or regulation, including related to the United Kingdom ceasing to be part of the European Union (the "AIFMD") and the implementation thereof, or any similar law, rule or regulation), any administrative or other filings, and other organizational expenses. As further set forth in the Governing Documents, the relevant general partner will bear the cost (through an offset against the Management Fee or otherwise) of all such organizational expenses in excess of a defined dollar amount, if any, and of any placement fees payable to any placement agent in connection with the formation of a Fund. For the avoidance of doubt, if any Fund, the relevant general partner, or their respective affiliates are required to register in a particular non-U.S. jurisdiction solely in connection with the offering of interests in such Fund, or to accept subscriptions through a local broker-dealer or agent under applicable non-U.S. law, any fees, costs, and expenses related thereto (including broker and agent fees) shall be treated as Organizational Expenses and shall not be treated as placement fees.

#### Operating Executives

Operating executives provide strategic advice to portfolio companies on matters such as deal sourcing, interim management, technical consulting, consolidation activities, operational improvement initiatives, human capital management, industry networking, and other similar projects. Operating executives will generally provide the Adviser and/or its managed funds with acquisition diligence or a recommendation or opinion on an aspect of a target portfolio company

or a portfolio company management team member during the due diligence process or throughout the life of the investment, but operating executives do not directly participate in the Adviser's decision-making process with regard to the acquisition or sale of the portfolio company. Operating executives are not employees, partners, or principals of, and generally do not receive material compensation from, the Adviser. Operating executives may be independent contractors or employees of current or former portfolio companies and are permitted to have business or investment activities unrelated to the Adviser. Although the Adviser may engage an operating executive during the due diligence process relating to a target portfolio company and may recommend the services of an operating executive to a portfolio company, a portfolio company's determination of whether to engage an operating executive is made by such portfolio company in its sole discretion. Operating executives are typically compensated directly by the portfolio company to which such operating executive is providing advice; provided that the applicable Adviser-managed fund typically will bear the costs and expenses associated with an operating executive in the case where the Adviser retained such operating executive in connection with a particular transaction, but the transaction is ultimately not consummated. Any compensation paid to an operating executive may be in the form of board of directors' fees, consulting fees, salary, expense reimbursement and profit or equity participation and does not offset management fees (or other fees) received by the Adviser or any of its affiliates. Operating executives may also be given the opportunity to invest in one or more funds managed by the Adviser, which may be in the form of an executive feeder arrangement, or other compensation. The referral of operating executives to one or more portfolio companies subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser believes that such conflicts are mitigated by the potential cost savings to portfolio companies (which is expected to benefit the applicable Fund(s)) that will result if the cost of the operating executive is lower than market rates for the services provided and/or if the quality of operating executive services align with the Adviser's model for the portfolio company and improve portfolio company performance. Although the Adviser seeks to refer operating executives with a view toward reducing costs and adding value to portfolio companies and, ultimately, the Funds, and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention.

#### Deduction of Fees and Timing of Payment

The Adviser is authorized under the Governing Documents of each Fund to charge and deduct advisory fees directly from the contributed capital and/or other assets of the applicable Fund. Management Fees are generally payable by a Fund quarterly in advance. The general partner of the Fund typically makes capital calls on investors for their *pro rata* share of Fund expenses (including Management Fees). Following the dissolution of a Fund, the general partner of the Fund will, in accordance with the partnership agreement, make a final determination of all items of income, gain, loss and expense. After payment or provision for payment of all liabilities and obligations of the Fund, the remaining assets, if any, will, in accordance with the partnership agreement, be distributed to investors.

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

### Performance-Based Fees

In addition to the compensation discussed in Item 5 – *Fees and Compensation*, an affiliate of the Adviser, as the general partner of a Fund, is typically eligible to receive performance-based compensation, also referred to as “carried interest.” Carried interest is equal to a percentage of the Fund’s net profits. Any performance-based compensation will be paid in accordance with Section 205(3) of the Advisers Act and the applicable rules promulgated thereunder, which specify certain qualification thresholds for clients of the Adviser being assessed such a fee. Any share of profits paid to the general partners of the Funds is separate and distinct from the Management Fees charged by the Adviser for advisory services to the Funds.

Performance-based compensation is subject to individualized negotiation with the limited partners investing in each Fund. In addition to limited partners invested in the main pooled fund, the Adviser reserves the right to use side arrangements (“side-by-side funds” or “parallel funds”) to accommodate other qualified purchasers that require amendments to the partnership agreement governing the “main fund.” These parallel funds generally invest side-by-side with the main fund in each investment proportionate to their respective committed capital. Parallel investment entities are included in all references to a Fund throughout this Brochure, as appropriate.

### Mitigating Conflicts of Interest Associated with Carried Interest

Carried interest in a Fund creates an incentive for the Adviser and the Fund’s general partner to make more speculative investments for the Fund than it would otherwise make in the absence of such performance-based compensation. However, conflicts of interest associated with carried interest are mitigated by: (a) the requirement that invested capital and related expenses be returned to investors before the general partner of a Fund becomes entitled to receive any carried interest; (b) the requirement that the general partner have a capital commitment to the Fund; and (c) a general partner claw back obligation under dissolution of the Fund.

Additionally, to the extent that the Adviser has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Adviser personnel are assigned varying percentages of carried interest from the Funds, the Adviser and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

## Item 7 – Types of Clients

### Types of Clients and Investment Vehicles

As noted in Item 4 – *Advisory Business*, the Adviser provides discretionary investment advisory services solely to its Fund clients, which are pooled investment vehicles exempt from registration under the Investment Company Act, and references throughout this Brochure to “clients” and to the Adviser’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The limited partners participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of the Adviser and its affiliates and members of their families, operating executives or other service providers retained by the Adviser, as well as executives of portfolio companies.

Minimum investment commitments may be established for limited partners in the Funds. The general partner of each Fund, in its sole discretion, reserves the right to permit investments that are less than the required minimum investment commitment set forth in the applicable Governing Documents of such Fund.

As discussed in Item 5 - *Fees and Compensation*, the relevant general partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory, accounting, or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

### Feeder Funds

One or more feeder funds are permitted to be formed to facilitate an investment in a Fund by the investors in such feeder fund (each, a “Feeder Fund”). A Feeder Fund is a limited partner of the Fund whose interests in the Feeder Fund are held by the investors who elect to participate in the Fund through such Feeder Fund. As an example, business executives and operating executives may participate in a Feeder Fund to a main fund. The terms of these entities may be more or less favorable to the investors therein than the terms offered to the limited partners in a main fund and the capital commitments to these entities (and their level of participation in Fund investments) may be increased or decreased from time to time to the extent permitted by applicable Governing Documents, including in connection with an investor’s or its associated individual’s disassociation from the general partner or its affiliates.

### Multiple Funds

During a Fund’s active investment period, the Adviser will pursue all appropriate investment opportunities that meet the investment criteria of the Fund principally for the benefit of the Fund,

subject to certain exceptions set forth in the Governing Documents. However, the Adviser manages multiple investment funds and investments similar to those in which an active Fund will be investing and reserves the right to direct certain relevant investment opportunities to those investment funds and investments. If other investment funds are formed, the Principals and the Adviser's investment staff will manage and monitor such investment funds and investments. The Adviser believes that the significant investment of the Principals in each Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of limited partner investors, although the Principals have or may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control or manage may compete with an active Fund or companies acquired by the Fund. New investments will be allocated in accordance with the Adviser's allocation policies, and as set forth in Fund Governing Documents.

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

### **Methods of Analysis and Investment Strategies**

As discussed in Item 4 – *Advisory Business*, the Adviser's primary investment strategy is making private equity investments in lower middle-market companies defined as companies with enterprise values generally in the \$25 million to \$450 million range. The Adviser believes that the lower middle-market offers attractive investment opportunities to experienced investors because it remains a relatively less efficient market than the mergers and acquisitions market for larger companies. This inefficiency is manifest in the valuations of smaller companies which are frequently discounted relative to larger companies within the same industry and generally receive less attention from larger, more sophisticated buy-out intermediaries. In addition, the Adviser believes that companies in this market segment are more receptive to the operational focus and strategic discipline brought by the Adviser's active portfolio management approach which can result in meaningful improvements in company performance.

The Adviser employs an investment strategy developed by its Principals during the course of their professional careers in the private equity markets. Key elements of this investment strategy are as follows:

- ◆ Focus on transactions in the relatively inefficient lower middle market.
- ◆ Seek to build and maintain a strong, well-recognized brand identity that provides a broad sourcing network of intermediaries, executives, attorneys, accountants, and consultants.
- ◆ Thoughtfully planned exit strategies to seek to facilitate favorable outcomes.
- ◆ Emphasize the Principals' experience in the target business models.
- ◆ Apply a disciplined, rigorous investment and due diligence process.
- ◆ Target those companies that are likely to benefit from Incline's active approach to portfolio company management.
- ◆ Supplement portfolio company management teams and boards of directors with experienced operating executives when believed to be necessary.

## Material Investment Risks

An investment in a Fund involves significant risks and should be undertaken only by prospective investors capable of evaluating and bearing such risks. Fund returns are unpredictable and, accordingly, a Fund's investment program is not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in a Fund as part of a broader overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the limited partner interests in a Fund. Due to these factors, as well as other risks inherent in any investment, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program.

The following list is not a complete list of all risks and other considerations involved in connection with an investment in a Fund. Prospective investors should make their own inquiries and investigation, including an evaluation of the merits and risks involved and the legality and tax consequences of a Fund investment, and consult their own advisors as to a Fund, the offering of limited partner interests, and the legal, tax and related matters concerning an investment in a Fund. The risk sets outlined below are categorized according to: (a) adviser selection risks; (b) portfolio strategy risks; (c) private equity risks; (d) general investment risks; and (e) tax and regulatory risks. Clients of the Adviser, as well as investors in each Fund, should be prepared to bear losses in both principal invested and unrealized capital gains.

### Adviser Selection Risks

*Future and Past Performance; Loss of Principal* - A newly formed Fund consists of entities that have no prior operating history or track record. Accordingly, a newly formed Fund does not have performance history for a prospective investor to consider. In considering the prior performance information of the other investment funds managed by the Adviser, prospective investors should understand that an investment in a new Fund does not represent an interest in any investment or investment portfolio of any other predecessor Fund. Information about the prior performance of the Adviser's Funds is not necessarily indicative of a new Fund's future results, and there can be no assurance that a Fund will achieve comparable results. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in a new Fund will resemble that of the prior Funds sponsored by the Adviser. An investor should only invest in a Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in the Fund. While the general partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Dependence on the Adviser and its Affiliates* – Decisions with respect to the management of a Fund and the acquisition, management and liquidation of highly illiquid investments will be made by the Adviser and its affiliate serving as the general partner of a Fund and will be conducted in accordance with Fund Governing Documents and the Adviser's compliance policies. Limited partner investors of a Fund generally have no right or power to take part in managing the Fund and

will generally not have an opportunity to evaluate the specific investments made by the Fund or the terms of any investment. Accordingly, no investor should purchase interests in a Fund unless willing to entrust all aspects of Fund management to the Adviser and its affiliates. The success of a Fund will depend significantly on the skill and expertise of the Principals and the Adviser's affiliates in selecting investment opportunities, negotiating appropriate terms of acquisition, managing portfolio companies, and arranging for a profitable exit strategy. The loss of key advisory personnel could have a material adverse effect on a Fund.

*Reliance on the General Partner* - A Fund will be dependent on the general partner. Limited partners generally have no right or power to take part in the management of a Fund, and control over the operation of a Fund, including decisions with respect to structuring, negotiating, and purchasing, financing and eventually divesting investments on behalf of a Fund, as control over these decisions will be vested with the general partner. Consequently, a Fund's future profitability and investment performance will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Principals currently, and expect in the future to, manage or advise other investments and/or investment funds and the Principals will need to devote substantial amounts of their time to the investment activities of such other investments and/or funds, which will pose conflicts of interest in the allocation of the time of the Principals. In addition, certain changes in the general partner or circumstances relating to the general partner may have an adverse effect on a Fund or one or more of its portfolio companies, including potential acceleration of debt facilities. Limited partners are reminded that the composition of the professionals making up particular industry sector investment teams change over time, and the professionals included in such teams and who have contributed to the past performance of any prior Incline Funds may no longer be members of the particular team or serve in the same or similar roles thereon (or may no longer be with Incline or may leave such team or Incline during the life of a Fund). Furthermore, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, a Fund's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

*Reliance on Portfolio Company Management* - The success of many of a Fund's portfolio companies is heavily dependent on the management of such companies. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Additionally, the general partner will generally establish the capital structure of companies in which a Fund invests based on the financial projections for such companies, which will contain significant judgment and input from the portfolio company management team. Although the general partner will be responsible for monitoring the performance of each portfolio investment and a Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team, or any successor, will be able or willing to successfully operate a company in accordance with a Fund's objectives. Portfolio companies will need to attract, retain, and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that the management team of a portfolio company on the

date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the portfolio company's holding period. There can be no assurance that portfolio companies will be able to attract, develop, integrate, and retain suitable members of its management team and, as a result, a Fund may be adversely affected.

*Limited Access to Information* - A limited partners' rights to information regarding a Fund will be specified, and strictly limited, in the Partnership Agreement. In particular, it is anticipated that the general partner will obtain certain types of material information from or relating to portfolio investments that will not be disclosed to limited partners because such disclosure is prohibited for contractual, legal, or similar obligations outside of the general partner's control, or because of other reasons. Decisions by the general partner to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its limited partner interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information also may make it difficult for a limited partner to monitor the general partner and the general partner's performance. Additionally, it is anticipated that the limited partners who designate representatives to participate on an Advisory Board may, by virtue of such participation, have more information about a Fund and its portfolio investments in certain circumstances than other limited partners generally and may be disseminated information in advance of communication to other limited partners generally.

*Possibility of Fraud or Other Misconduct of Employees and Service Providers* - Misconduct by (a) the Adviser's employees, (b) portfolio company directors, officers, or employees, and (c) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of a Fund and/or the general partner and cause significant losses to a Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities may result in reputational damage, litigation, business disruption, market, or industry segment volatility and/or financial losses to a Fund. The Adviser has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be identified or prevented.

### Portfolio Strategy Risks

*Illiquid and Long-Term Investments* - There is no public market for all or most of the securities held by a Fund. A Fund will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from registration is available. Practical limitations, unfavorable market conditions, and/or contractual restrictions may inhibit, for an indefinite period of time, a Fund's ability to liquidate its investments in portfolio companies. The expenses of operating a Fund may exceed its income, with the difference having to be paid from investor capital. Losses on unsuccessful investments in portfolio companies may be realized before gains on successful investments are realized. Although investments made by the Fund may occasionally generate nominal current income, the return of capital and realization of capital gains,

if any, from a Fund investment generally will occur only upon the partial or complete sale of portfolio companies in the Fund. Although a portfolio company in the Fund could be sold at any time, it is expected that the sale of most Fund assets will not occur for a number of years following acquisition.

*No Assurance of Investment Return* – The Adviser cannot provide assurance that it will be able to profitably source, acquire, manage, and/or monetize Fund investments in any particular company or portfolio of companies. There can be no assurance that a Fund will be able to generate returns for its investors or that the returns will offset the risks of investing in the type of companies and transactions set forth in its Governing Documents. Accordingly, an investment in a Fund should only be considered by investors who can afford a loss of their entire investment. Past activities of investment entities associated with the Adviser, its Principals, and affiliates provide no assurance of future success.

*Uncertainty of Projections* - A Fund may use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the general partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from projections.

*Valuations* - It is difficult to determine the true fair market value of private company securities. While information presented to a Fund by the Adviser is done in good faith and in accordance with the Adviser's written valuation policies and procedures, there can be no assurance that explicit or implicit valuations of a Fund's current or prospective private company securities, as periodically reported to investors, will reflect the ultimate fair market value of a particular asset or portfolio of assets.

*Risks upon Disposition of Investments* – Upon the sale or liquidation of an investment in a portfolio company or the completion of a successful initial public offering of the securities issued by a portfolio company, a Fund may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, *e.g.*, about the business and financial affairs of the portfolio company, the condition of its assets and the extent of its liabilities, or assume responsibility for the contents of disclosure documents under applicable securities laws. A Fund may be required to indemnify the buyers of such investments or underwriters of the securities of a portfolio company, to the extent that any such representations or disclosure documents involve material inaccuracies. These arrangements would result in contingent liabilities for a Fund. Governing Documents may contain provisions stating that a limited partner may be required to return distributions received from a Fund for purposes of meeting its ratable share of the Fund's

indemnity or other obligations in an amount not exceeding a defined percentage of such limited partner's capital commitment to the Fund.

*Concentration of Investments; Lack of Diversification; Reliance on Portfolio Company Management* – A Fund will invest in a limited number of investments. Therefore, the total return of a Fund may be adversely affected by the negative performance of relatively few investments. A Fund generally cannot invest more than 20-25% of its aggregate capital commitments in a single portfolio company (including its direct or indirect subsidiaries and guarantees) and will likely participate in a limited number of overall investments.

If a Fund co-invests with another Fund, a limited partner invested in such other fund would have exposure to a single portfolio company through more than one fund, potentially multiplying such limited partner's losses.

Given the Principals' experience in certain core industries and the structural requirements of operating a Fund, a Fund may seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As such, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of a Fund's investments, may substantially affect a Fund's aggregate return. In addition to the foregoing, because a Fund may only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then for a Fund to achieve above-average returns, one or a few of its investments must perform very well, and there can be no assurances that this will be the case.

The Adviser regularly monitors portfolio company performance. However, it is primarily the responsibility of portfolio company management to operate a portfolio company on a day-to-day basis and there is no assurance that management will perform in accordance with the Adviser's expectations. Some portfolio companies will depend for their success on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would adversely affect the business. To mitigate these risks, the Adviser will not generally recommend investment of more than 20-25% of aggregate Fund capital commitments in any one company.

*Impacts of Excuse or Exclusion* - A limited partner's participation in a Fund's investments may be limited by virtue of the general partner's right to exclude a limited partner from, or a limited partner's right to be excused from, participating in certain of a Fund's investments as set forth in the Governing Documents, thereby increasing the participation of other limited partners. Due to one or more limited partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating limited partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund.

*Unspecified Investments.* Investors will be relying on the ability of the relevant Fund's general partner to locate and evaluate the investments to be made by the Fund. The activity of identifying,

structuring, completing, and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the general partner will be able to locate, or the Fund will be able to complete, portfolio investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Fund will be able fully to invest its committed capital.

*Leveraged Investments; Borrowing* - A Fund may make use of leverage by compelling a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, while the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines, and which are difficult to accurately forecast. At times it may be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency, and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The use of leverage may impose restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs.

The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment, or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. If a portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which a Fund may have been contracted to purchase.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by a Fund will typically result in interest expense and other costs to the Fund that may exceed or

otherwise not be covered by distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Fund is permitted to incur leverage on a joint and several bases with one or more other investment funds and/or other entities managed by or otherwise affiliated with the general partner or any of its affiliates and, in connection with incurring such indebtedness, the general partner reserves the right, in its sole discretion, to cause a Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage or provides any guaranty, such amounts are permitted to be secured by the capital commitments of the Fund's investors and other Fund assets. The inability of a Fund to repay any leverage secured by the capital commitments of the Fund's investors could enable a lender to issue a capital call on behalf of the general partner of the Fund.

*Subscription Lines* - A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating, or terminating the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate that a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant

Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant general partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, which could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant general partner may request certain financial information and other documentation from limited partners to share with lenders. The general partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the general partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant general partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The general partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Adviser for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

*Lack of Unilateral Control* - Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

*Changes in Investment Focus* - A Fund is not restricted in terms of the percentage of its capital that can be invested in a particular industry. While a Fund's Governing Documents contain a description of the types of investments that the Adviser has historically made and information about the Adviser's expectations with respect to a Fund, many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. There can be no assurance that the investment portfolio of a Fund will resemble the portfolio of any prior Fund sponsored by the Adviser.

*Environmental, Social and Governance ("ESG") Matters* - The Adviser maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that the Adviser will be able successfully to implement its ESG policy or to make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser, or any judgment exercised by the Adviser, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. The Adviser's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, the Adviser expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause the Adviser to incorrectly assess a company's ESG practices and/or related risks and opportunities. The Adviser does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on the Adviser's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies, which could negatively impact the Adviser's performance. For avoidance of doubt, however the Adviser does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Adviser's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Adviser's ESG policies could become subject to additional regulation in the future, and the Adviser cannot guarantee that its current approach will meet future regulatory requirements.

#### Private Equity Risks

*Business Risks* - A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict.

Such investments involve a high degree of business and financial risk that can result in substantial losses.

*No Market for Limited Partner Interests in Funds; Restrictions on Transfer; No Right of Withdrawal* – Limited partner interests in a Fund may not generally be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the general partner, which may be withheld pursuant to the Partnership Agreement, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the Code. Voluntary withdrawals from a Fund will not be permitted except in very limited circumstances generally involving situations where retaining an interest in a Fund would violate certain laws or regulations. In addition, interests in a Fund are not redeemable. There will be no public market for interests in a Fund, and none is expected to develop. Interests in a Fund have not been registered under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in a Fund will ever be effected. Limited partners may not be able to liquidate their investments prior to the end of a Fund’s term and must be prepared to bear the risks of an investment in a Fund for an extended period of time.

*Significant Adverse Consequences for Default* – Governing Documents provide for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and that may be paid over a long period of time, without interest. Whether and how to exercise the general partner’s remedies against a defaulting limited partner will be in the sole discretion of the general partner, and the general partner reserves the right to require the non-defaulting limited partners to contribute capital to make up for the shortfall created by such defaulting limited partner.

*Failure to Make Capital Contributions* - If a limited partner fails to pay when due installments of its commitment to a Fund, and the contributions made by non-defaulting limited partners and borrowings by a Fund are inadequate to cover the defaulted amount, a Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners).

*Dilution from Subsequent Closings* - Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interests of existing limited partners in such investments. Although a new limited partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund’s existing investments at the time of such contributions.

*Transfer by General Partner* - To the extent the general partner, its partners, including the Principals, and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations noted in the Governing Documents.

*Recycling; Reinvestment* - In accordance with the Governing Documents, the general partner generally has the right to recall certain capital returned or distributed by a Fund to the partners, including to make additional investments. Accordingly, during the term of a Fund, a partner may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a partner will remain subject to investment and other risks associated with such investments.

*Reserves* - As is customary in the industry, the general partner reserves the right to establish reserves for investments by a Fund, operating expenses of a Fund, Fund liabilities and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to the limited partners. If reserves are inadequate, a Fund may be unable to take advantage of attractive investment opportunities or may not be able to pay its liabilities or expenses as they come due. If reserves for liabilities or expenses are excessive, a Fund may decline attractive investment opportunities.

*Fees and Expenses* - A Fund will pay and bear all expenses related to its operations, including Management Fees and the costs of holding, monitoring, maintaining, and disposing of portfolio companies, including investment banking fees, and consulting fees, whether or not a Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses may be substantial and may surpass a Fund's operating income. The amount of these partnership expenses will reduce the actual returns realized by limited partners on their investment in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of a Fund's expenses ultimately called or called at any one time may exceed expectations.

*Investments Longer than Term* - A Fund may make investments that may not be advantageously disposed of prior to the date a Fund is dissolved, either by expiration of a Fund's term or otherwise, or the Fund's term may be extended to facilitate the wind-down of the Fund. Although the general partner generally expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the general partner has a limited ability to extend the term of a Fund, and the Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time due to dissolution. If such investments are held in trust, the trust will incur operating and formation expenses. In addition, there can be no assurances as to the timeframe in which the winding-up and final distribution of proceeds to the limited partners will occur.

*Follow-on Investments* - A Fund may be called upon to make additional "follow-on" investments in a portfolio company after the Fund's initial investment. Follow-on investments are made in portfolio companies to facilitate their growth and represent an incremental capital commitment by the Fund. The Adviser may deem these investments to be appropriate to improve the performance of a particular Fund asset or to increase the exposure of the Fund to the particular company.

However, there can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund to decline a follow-on investment, for whatever reason, may have a substantial negative impact on a portfolio company in need of such an investment and may diminish the Fund's ability to influence the portfolio company's future development. Under no circumstances will the Fund increase its exposure to a portfolio company beyond 20-25% of aggregate capital commitments.

*Investment in Restructurings* – A Fund may invest in restructurings of existing portfolio companies that are experiencing financial difficulties or that require an alternative capital structure to compete in their business sector. A Fund may also invest in companies that have already experienced financial difficulties and appear to provide an attractive entry point for the Fund. These financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy or other liquidation proceedings. These investments could subject a Fund to potential liabilities that may exceed the value of the Fund's original investment. For instance, under certain circumstances, payments to a Fund (and related distributions made to its limited partners) by a distressed portfolio company may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable anti-fraud, bankruptcy, and insolvency laws. Investments in restructurings also may be adversely affected by statutes relating to, among others, lender liability and the court's discretionary power to disallow, subordinate or disenfranchise particular claims.

*Bridge Investments* – A Fund may provide bridge financing for one or more of its investments. While such securities are outstanding, a Fund will bear the risk of changes in the capital markets that may adversely affect the ability of a portfolio company to refinance bridge investments with a third party. If the portfolio company cannot complete a refinancing of the bridge loan, for example, a Fund may have a long-term investment in a junior security, or the security may have issuer conversion features which reduce its seniority to other securities in the portfolio company's capital structure. Aggregate borrowings are generally subject to a cap calculated as a percentage of aggregate commitments and undrawn commitments.

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

*Non-Controlling Investments* – A Fund may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. As a condition to investment in a portfolio company, it is expected that appropriate rights will be sought by the general partner to protect a Fund's interests although there is no guarantee or assurance to Fund investors that such rights will be obtained.

*Distributions in Kind.* – Although, under normal circumstances, prior to the termination of a Fund, the Adviser intends to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding-up of a Fund), distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer may be made in-kind. It may be difficult for limited partners to liquidate the investments received at a price or within a time period that is determined thereby to be ideal, and

significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Limited partners in receipt of a distributed investment will have no guidance from the relevant Fund or general partner with respect to disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such limited partners may be lower than the value of such investments determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest accruing to the general partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

*Indemnification* – A Fund will be required to indemnify the Adviser and its affiliate acting as the general partner, their affiliates and each of their respective members, officers, directors, employees, stockholders, shareholders, partners, and other persons who serve at the request of the general partner on behalf of the Fund, for liabilities incurred in connection with the affairs of the Fund. Members of any limited partner advisory board that have been appointed by the general partner of a Fund also will generally be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the partnership agreement. Liabilities resulting from such indemnification obligations may be material. The indemnification obligation of a Fund would be payable from the assets of the Fund, including the unpaid capital commitments of the limited partners. If the assets of a Fund are insufficient, the general partner of the Fund may recall distributions previously made to the limited partners, subject to certain limits set forth in the partnership agreement.

*Certain Consultants* – The Adviser, its affiliates, the Funds, and/or the portfolio companies reserve the right to, from time to time, retain or employ other companies and individuals (collectively, “Consultants”), which are permitted to be affiliates of the Adviser, employees of such affiliates, portfolio companies of other investment funds managed by the Adviser or its affiliates, third party consultants (including individual consultants and external executives), Operations Group members (including “operating executives”, “Catalyst Group Members,” “operating partners,” “strategic partners,” “executive partners” or “senior advisors” primarily to provide services to, a Fund or any portfolio company or prospective portfolio company in connection with the identification, acquisition, holding, improvement, and/or disposition of portfolio companies, including operational aspects of such portfolio companies (“Services”).

Pursuant to a Fund’s Governing Documents, compensation, fees, and reimbursement of certain expenses associated with the Services (collectively “Consulting Fees and Expenses”), will generally be paid and/or reimbursed by applicable portfolio companies or prospective portfolio companies, or directly by the Fund. Consulting Fees and Expenses are not included as “Transaction Fees” and do not reduce the Management Fee. For the avoidance of doubt, the Adviser also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies. Consulting Fees and Expenses include, but are not limited to, cash fees, profits or equity interests in portfolio companies, shares of proceeds upon the sale of portfolio companies, and/or other incentive-based compensation to Consultants, which may be determined according to one or more methods, including the value of a Consultant’s time (including an allocation for overhead and other fixed costs), a percentage of the value of a

portfolio company, the invested capital exposed to a portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from a portfolio company. Additionally, Consultants may be provided opportunities to co-invest in one or more portfolio companies. Consultants are authorized to have a limited partner interest (or other similar interest) or profit interest in a Fund, the general partner, other Funds, or affiliates of the general partner.

Although the general partner intends to retain Consultants with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or otherwise improving portfolio company performance, due to a variety of factors, any such retention may result in limited cost savings, no cost savings, or an increase in costs, in which case portfolio company performance may be only marginally improved or may be negatively affected, as applicable. There can be no assurance that a more qualified and/or lower cost alternative could not be obtained.

In addition, portfolio companies of a Fund will, from time to time, pay Consultants to perform Services that, directly or indirectly, benefit the Adviser, its affiliates, other Funds and/or portfolio companies of other Funds. Consequently, in such instances the Adviser, its affiliates and/or portfolio companies of other Funds will receive Services without being charged or at reduced rates. Conversely, portfolio companies of a Fund may benefit from Services that are paid for by the Adviser, its affiliates and/or portfolio companies of other Funds. Likewise, certain other Funds may pay Consultants (including individual Operations Group members, including operating executives) to perform services that, directly or indirectly, benefit the Adviser, its affiliates, a Fund and/or portfolio companies of a Fund. There can be no assurance that a Fund or its portfolio companies will receive benefits paid for by other Funds or their portfolio companies that are commensurate to the benefits received by such other Funds and their portfolio companies that are paid for by a particular Fund or its portfolio companies.

*Risk Arising from Provision of Management Assistance* – A Fund will use its reasonable best efforts to structure its investments to qualify as a “venture capital operating company” (a “VCOC”) within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This structure is designed to ensure that the equity participation of ERISA investors in a Fund is not “significant” within the meaning of the Plan Assets Regulation issued by the Department of Labor. To qualify as a VCOC requires that a Fund obtain directly and by contract the rights to participate substantially in, and to influence substantially the conduct of the management of, a majority (valued at cost) of the Fund’s investments. A Fund typically will name one or more directors to serve on the boards of directors of portfolio companies or will receive observer rights on such boards. Naming representatives and other measures could expose the assets of a Fund to claims by a portfolio company, its security holders, and creditors, including claims the Fund is a controlling person and thus is liable for securities laws violations of such portfolio company. While the general partner will seek to minimize Fund exposure to any such risks, the possibility of successful claims cannot be precluded.

*Risks in Effecting Operating Improvements* - In some cases, the success of a Fund’s investment strategy will depend, in part, on the ability of a Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational

improvements can divert the attention of key personnel and disrupt normal business. There can be no assurance that a Fund will be able to successfully identify and implement such improvements or that any such successfully implemented improvements will result in a return on invested capital with respect to such portfolio company.

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions-* Before making investments, the general partner will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory, and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the general partner is permitted to rely on the advice received from such third parties. Investment analyses and decisions by the general partner will often be undertaken on an expedited basis for a Fund to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to the general partner at the time of an investment decision may be limited, and the general partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

*Control Person Liability* - A Fund is expected to have controlling interests in many of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If determined to be a direct owner or operator of any of the portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, a Fund might suffer significant losses. While the general partner intends to manage a Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against a Fund and/or its affiliates cannot be precluded.

*Director Liability* – The general partner expects that a Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a “Board Representative”). In those instances where a Fund is not the sole shareholder of the applicable portfolio company, a Board Representative may have duties to persons other than a Fund. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Board Representative, and ultimately a Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect against such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

*Litigation* - The transactional nature of the business of a Fund exposes the Fund, the general partner, and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, a Fund may be subject to litigation from time to time. Under the Governing Documents, a Fund will generally be responsible for indemnifying the general partner and certain of its affiliates for costs they incur with respect to such litigation not covered by insurance. The outcome of litigation proceedings may materially adversely affect the value of a Fund and may continue without resolution for long periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation may consume substantial amounts of the general partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Unfunded Pension Liabilities of Portfolio Companies* - Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although a Fund intends to manage its investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests.

*Liability of Limited Partners* - Generally, a limited partner should not be personally liable for the debts of a Fund except that, in the event a Fund is otherwise unable to meet its obligations, the limited partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the Governing Documents. In addition, any partner's commitment is susceptible to risk of loss because of any liability of a Fund irrespective of whether such liability is attributable to an investment to which such partner did not contribute any capital.

*CFIUS and National Security Clearance Considerations* - Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant Fund general partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to

exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

*Hedging Arrangements; Related Regulations* - A general partner is authorized (but is not obligated) to endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over the counter ("OTC") contexts, including futures, forwards, swaps, options, and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian, or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the general partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

*Competitive Investment Environment* – Private equity investing involves a significant degree of uncertainty. The business of identifying, structuring, and completing private equity transactions is highly competitive. The Adviser will compete with strategic buyers and other investors, including other private equity funds, hedge funds, direct investment firms, industrial groups, and merchant banks for investment opportunities. Over the past several years, an ever-increasing number of private equity funds have been or are being formed, and many existing funds have grown in size. Additional funds with similar investment objectives likely will be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the general partner, the Funds, and their affiliates.

The general partner expects that competition for appropriate investment opportunities may increase, which may also require a Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to a Fund, and/or adversely affecting the terms upon which portfolio investments can be made.

To the extent that a Fund encounters competition for investments, returns to limited partners may decrease. In addition, it is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated. Regardless of the extent to which the capital commitment of a Fund's limited partners is invested (or drawn down to be invested), the limited partners will be required to bear Management Fees through a Fund during the Investment

Period based on the entire amount of the limited partners' commitments and other expenses as set forth in the Governing Documents.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual, or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which a Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory, or other factors. In view of these limitations on liquidity, a Fund generally will not be able to return capital or realize gains, if any, on an investment in a privately held entity until the partial or complete disposition of such entity. While an investment may be disposed of at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the management fee payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded commitments.

*Over-Commitment* – In order to facilitate the acquisition of a portfolio company, a Fund may make (or commit to make) an investment in such company with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, a Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, a Fund may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or may realize lower than expected returns from such investment.

*Agreements with Certain Investors* – A Fund or the general partner reserves the right to enter into a side letter or other similar agreement with a particular limited partner in connection with its admission to a Fund without the approval of any other limited partner, which would have the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of an applicable Fund document with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners, and such rights may be significant. Such rights, terms, or confirmations in any such side letter or other similar agreement may include, without limitation, (a) excuse, exclusion or withdrawal rights applicable to particular investments or limited partners (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, certain investments); (b) reporting obligations of the general partner; (c) waiver of certain confidentiality obligations; (d) consent of the general partner to certain transfers by such limited

partner; or (e) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such limited partner.

*Disclosure of Confidential Fund and Investor Information* - The limited partners are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding a Fund, its investments, and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. A Fund may incur expenses in connection with responding to any such disclosure requests, even if the Fund ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the limited partners will have pursuant to the Governing Documents to maintain the confidentiality of Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. The general partner reserves the right to, in certain circumstances, to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such a limited partner, as more fully described in the Governing Documents. There can be no assurance that such information will not be disclosed by a Fund, the general partner, the Adviser, their affiliates and personnel, portfolio companies or services providers to any of them including, without limitation, to comply with laws, regulations, or policies to which they are or may become subject. In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of a Fund information could have an adverse effect on the Fund and its investors, for example, by affecting the Fund's competitive advantage in finding attractive investment opportunities.

*Cyber Security Breaches and Identity Theft* - A Fund and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although the general partner intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the general partner, a Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the general partner's, a Fund's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the general partner's, a Fund's, and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions, or otherwise affect their business and financial performance. To the extent that a portfolio company, Fund, general partner, the Adviser or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost, or corrupted (a) data or payment information; (b) financial information; (c) software, contact lists or

other databases; (d) proprietary information or trade secrets; or (e) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the Funds,' portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company or a Fund to substantial losses including losses relating to misappropriation of assets, intellectual property, or confidential information; corruption, deletion, or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state, or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds, or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the general partner or one of its affiliates or service providers holding its financial or investor data, the general partner, its affiliates or a Fund may also be at risk of loss.

*Electronic Delivery of Certain Documents* - Pursuant to the subscription agreement entered into by a limited partner, such limited partner may consent to electronic delivery (including email, facsimile or posting on a Fund's web-based investor reporting site or other Internet service in accordance with the Governing Documents) of (a) any notices or communications required or contemplated to be delivered to such limited partner by a Fund, the general partner or any of their respective affiliates, pursuant to applicable law or regulation, at the option of the person making such delivery, and (b) capital call notices and other notices, requests, demands or consents or other communications and any financial statements, reports, schedules, certificates or opinions required to be provided to such limited partner under the Governing Documents or under any side letter or similar agreement with such limited partner. There are certain costs and possible risks (e.g., system outages) associated with electronic delivery. Moreover, the general partner cannot provide any assurance that these communication methods are secure and will not be responsible for any computer viruses, problems, malfunctions, theft of information or related problems that may be associated with the use of an Internet-based system.

*Privacy, Data Protection and Information Security Compliance Risk* - The adoption, interpretation and application of consumer protection, data protection/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively "Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the general partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service

providers could result in fines, sanctions, or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for the Adviser, the general partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed, or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities, and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser, the general partners, the Funds and/or their portfolio companies.

*United Kingdom (“UK”) Exit from the European Union (the “EU”).* On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). The UK formally left the EU on January 31, 2020 and entered a transition period that ended on December 31, 2020. On December 24, 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK’s ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU particularly as new trade arrangements are intended to be ratified and implemented.

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political, and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including the Adviser and Fund portfolio companies, if applicable. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Russia-Ukraine Conflict* - There is currently an ongoing military conflict between Russia and Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals

and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

### General Investment Risks

*Uncertain Economic, Social and Political Environment* - Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social, or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

*Financial Market Variations* – General swings in the market prices of securities and interest rates may affect the value of the investments held by a Fund. Instability in the capital markets may also increase the risk inherent in a Fund's investments. The ability of portfolio companies to refinance or redeem securities held by a Fund may depend on their ability to sell new securities in the market or obtain financings.

*General Economic and Market Conditions* - The private equity industry generally and the success of a Fund's investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the general partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may

affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of a Fund's portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return.

Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, topping, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the general partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure and may be magnified by the expected limited geographic diversity of a Fund's investments.

*Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments* - If the global credit markets deteriorate and it becomes more difficult for a Fund to obtain favorable financing for investments, a Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

*Adequacy and Availability of Insurance* - While a Fund may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact a Fund's profitability.

*Terrorist Activities* - Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its

financial markets and global economies and could prevent a Fund from meeting its investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and a Fund for the short or long-term in ways that cannot presently be predicted.

*Coronavirus and Public Health Emergency Risk Factor* - As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”). The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak has rapidly evolved, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. Businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in supply chains and economic activity and have had a particularly adverse impact on transportation, hospitality, tourism, entertainment, and other industries. As the pandemic continues, its full impact, remains uncertain and difficult to assess. The long-term impact of the accommodative monetary policy and government economic relief spending in the United States, aimed at countering the adverse effects of the pandemic, is unknown. However, any meaningful and sustained rise in inflation could further adversely impact the value and performance of the Funds.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their portfolio companies and could adversely affect the Funds’ ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds’ and their portfolio companies’ operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds’ portfolio companies, the Funds’ ability to source, manage and divest investments and the Funds’ ability to achieve their investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their portfolio companies and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel.

*Force Majeure Risk* - Certain force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism, and labor strikes) may adversely affect the ability of Incline, its affiliates, a Fund, its portfolio companies, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may result in a permanent loss of customers, substantial litigation, or significant penalties for regulatory or contractual non-compliance (though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period). The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on a Fund and/or any of its portfolio investments.

*Non-U.S. Investments* - A Fund may invest in portfolio companies that are organized, headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments are denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (b) exposure to fluctuations in interest rates payable with respect to the instruments in which a Fund invests; (c) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (d) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (e) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (f) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (g) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (h) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (i) possible non-U.S. tax return filing requirements for a Fund and/or the partners; (j) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (k) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (l) political hostility to investments by non-U.S. or private equity investors; and (m) less publicly available information.

### Tax and Regulatory Risks

*General Tax Considerations* – A Fund is expected to be treated as a partnership for U.S. federal income tax purposes. Each U.S. partner in a Fund, in calculating its U.S. federal income tax liability, will consider its allocable share of items of income, gain, loss, deduction and credit of the Fund, without regard to whether it has received distributions from the Fund. An investment in a Fund may result in various complex tax issues for limited partners. Prospective investors are urged

to consult their own tax advisors with specific reference to their own situations concerning an investment in a Fund. When a Fund invests in a company operating in a certain jurisdiction, the Fund or its limited partners may be subject to income or other tax in that jurisdiction. Withholding taxes or branch taxes may be imposed on earnings of a Fund from investments in such jurisdiction.

A Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the U.S. Internal Revenue Service (the “IRS”), a limited partner might be found to have a different tax liability for that year than that reported on its federal income tax return. In addition, an audit of a Fund may result in an audit of the returns of some or all limited partners, which examination could result in adjustments to the tax consequences initially reported by a Fund and affect items not related to a limited partner’s investment in a Fund. If such adjustments result in an increase in a limited partner’s federal income tax liability for any year, such limited partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of a Fund’s tax return will be borne by the Fund. The cost of any audit of a partner’s tax return will be borne solely by the partner. The taxation of partnerships and partners is complex. Prospective investors are strongly urged to consult their own tax advisors.

*Delayed Tax Information* - A Fund may not be able to provide final tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Accordingly, Limited Partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own advisor as to the advisability and tax consequences of an investment in a Fund.

*New Rules Regarding U.S. Federal Income Tax Liability Resulting from IRS Audits* - For taxable years of a Fund beginning on or after January 1, 2018 (or earlier, if the Fund so elects), U.S. federal income taxes arising from an IRS audit will be paid by a Fund absent an election to the contrary. In addition, a newly designated “partnership representative” will have the power to act on behalf of a Fund and its partners in all IRS audits and other proceedings involving a Fund’s U.S. federal income, loss, deductions, and credits. These new rules may be less favorable than current partnership audit rules for certain partners in certain cases.

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

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the 2008 global financial crisis, may complicate or prevent a Fund’s efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders

outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of a Fund, could adversely affect the ability of the Principals, employees or other individuals associated with a Fund or the general partner who were or may in the future be granted direct or indirect interests in the general partner to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from a Fund and the general partner, which could make it more difficult for the general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. These same issues may also apply to officers, directors, and employees of a Fund's portfolio companies if such persons receive a profits interest in such companies.

*Regulation and Enforcement* - The growth of the private equity industry, and the increasing size and reach of transactions, has prompted additional governmental and public attention to the industry and its practices. In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. Consortium bids are deals in which two or more unaffiliated entities either provide equity financing or divide the target business being acquired. These transactions can range in size from the large private equity club deals in which the target remains intact to much smaller deals in which a target is broken up and sold to multiple strategic buyers. Private equity firms that engage in potentially anti-competitive practices in an otherwise permissible and lawful club deal could be liable for monetary damages to former shareholders of target companies and could be subject to U.S. Department of Justice (the "DOJ") investigation and civil and criminal prosecution resulting in fines. The Antitrust Division of the DOJ has previously issued information requests relating to private equity transactions among multiple fund sponsors, and in 2014 several fund sponsors settled claims that they had conspired to not bid against each other on eight large "take-private" buyouts that occurred prior to the 2008 global financial crisis. There can be no assurance that a Fund will not be subject to third-party litigation and/or investigations involving consortium bids.

In addition, numerous regulatory initiatives have been launched and significant legislation has been enacted because of the severe global market volatility and dislocations, financial institution failures and defaults and large financial frauds that occurred during the 2008 global financial crisis. U.S. regulators, including the U.S. Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have also recently warned banks against leveraged lending that load companies with large amounts of debt. Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the United States or outside of it, could further increase the cost of acquiring, holding or divesting portfolio investments and the cost of operating a Fund, as well as harm the profitability of enterprises and interfere with the ability of a Fund to engage in certain transactions.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of the Adviser and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Adviser and its affiliates, the Fund and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Fund.

### Potential Conflicts of Interest

Investors should be aware that various actual and potential conflicts will arise from the overall investment activities of a Fund, a general partner, the Adviser, and their respective affiliates. Although certain conflicts of interest are discussed throughout this Brochure, the following discussion identifies additional potential conflicts of interest that should be carefully considered before making an investment in a Fund. In addition, investors should be aware that the Adviser, its personnel, and its affiliates expect to in the future engage in further activities that will result in additional conflicts of interest not addressed below. There can be no assurance that the Adviser will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to a Fund.

If any matter arises that a general partner determines in its good faith judgment constitutes an actual or potential conflict of interest, the general partner reserves the right to take such actions as it believes are necessary or appropriate to ameliorate such conflict (and upon taking such actions, the general partner will be relieved of any responsibility for, and liability related to, such conflict to the fullest extent permitted by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law as modified by the Partnership Agreement). These actions may include, by way of example: (a) disposing of the security giving rise to the conflict of interest; (b) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest; or (c) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with an advisory board regarding the conflict of interest and either obtaining a waiver from an advisory board of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by an advisory board with respect to such conflict of interest.

In addition, investors should note that the Governing Documents contains provisions that, subject to applicable law, (a) reduce, modify or eliminate the duties, including certain fiduciary duties under applicable state law, that the applicable general partner would otherwise owe to a Fund and the limited partners; (b) waive duties or consent to conduct of the general partner that might not otherwise be permitted pursuant to such duties; and (c) limit the remedies of a limited partner with respect to breaches of such duties.

Additionally, a Fund's Governing Documents contain exculpation and indemnification provisions that, subject to the specific exceptions identified therein, provide that the general partner, the Adviser, and their respective partners, members, officers, employees, and affiliates will be held

harmless and indemnified, respectively, for matters relating to the operation of a Fund, including matters that may involve one or more potential or actual conflicts of interest.

*Other Funds and Products; Allocation of Investment Opportunities* – The Adviser currently sponsors and manages, and expects to continue to sponsor and manage, a number of investment funds. Over time, certain investment opportunities suitable for a given Fund are likely also to be suitable for other Funds. The existing Incline Funds principally invest in the equity securities of portfolio companies and any successors thereto (“Equity Funds”). However, the Adviser may in the future sponsor or manage one or more Incline Funds that principally invest in the debt instruments and/or other securities of portfolio companies (such funds, the “Credit Funds”). In addition, the Adviser reserves the right to in the future expand its investment management services beyond the Equity Funds and the Credit Funds, if any, including through single investor funds, managed accounts, overage funds, funds with different operational strategies, target investment sizes, target investment securities (including debt instruments), geographic focuses or expected hold periods, special purpose acquisition companies and/or other specialized investment vehicles, that in some cases may have overlapping investment strategies with one or more other Incline Funds.

The Adviser will determine the allocation of investment opportunities among a Fund and the relevant other Funds in such manner as the Fund general partners, in their sole discretion, determine in good faith to be fair and equitable, consistent with the Governing Documents. To determine whether and to what extent Funds will participate in an investment opportunity, Incline generally assesses whether an investment opportunity is appropriate for each relevant Incline Fund and may also consider certain factors, including, but not limited to, the amount of available capital of the applicable Incline Funds, anticipated future capital requirements of an investment opportunity and/or the existing portfolio companies of the applicable Funds, expected time to obtain liquidity, conflicts considerations, limitations on the pace of capital deployment or other limitations in the Governing Documents of the applicable Funds, investment guidelines, diversification limitations, investment strategies and objectives, legal, tax and regulatory considerations, and any other factors deemed relevant by Incline and its affiliates. It is Incline’s policy to allocate follow-on investments to the Fund that owns the applicable portfolio company. If a follow-on investment is to be made in a portfolio company owned by more than one Fund, such follow-on investment will generally be made in the same part of the capital structure and in the same proportions as the original investment. As a result of the foregoing policies, a Fund may invest in opportunities that another Fund has declined or may decline to invest in opportunities in which another Fund has invested or will invest. The Adviser’s allocation of investments opportunities among the Funds often will not be proportional based on available capital commitments. Therefore, such allocation is likely to be more advantageous to one Fund relative to another Fund. While the Adviser will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the applicable Incline Funds under the circumstances over time, there can be no assurance that a Fund’s actual allocation of an investment opportunity, if any, or the terms on which such allocation is made, will be as favorable as they would be if the potential conflicts of interest did not exist.

Except to the extent prohibited by the Governing Documents, the Adviser and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or

manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-“assignment” provisions of the Advisers Act, the Adviser and its personnel are also permitted to offer, restructure, and monetize interests in the Adviser.

*Time and Attention of the Principals* - The Principals will spend their business time and attention pursuing investment opportunities for Funds with differing objectives, strategy, scope, investment criteria and guidelines. The Principals and Incline's investment personnel will also manage and monitor investments by multiple Funds. The general partners believe that the investment of the Principals in a Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of a Fund's limited partners. At such time as Incline is permitted to operate a successor investment fund to a Fund, the Principals will continue to manage a Fund's investments, but also likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Adviser personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to these arrangements. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Adviser's sole discretion, the Adviser and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Moreover, unless restricted by the Governing Documents, Adviser personnel are permitted to serve on boards or act in other roles unaffiliated with Adviser, the Funds, or their portfolio companies, including boards of charitable and educational institutions, public companies, and former portfolio companies, and receive compensation in connection with such services and roles.

*General Partner's Interests in Carried Interest and Management Fees.* The fact that the general partners' carried interest in the Funds is based on a percentage of net profits creates an incentive for the general partners to cause the Funds to make riskier or more speculative investments. The fact that, except as may be otherwise provided in the Governing Documents, the management fee following the relevant investment period is generally expected to be calculated based on the Funds' invested capital may create an incentive for the general partners to hold an investment longer than otherwise would be the case. Additionally, Congress recently passed legislation that extends the minimum holding period to obtain long-term capital gains treatment with respect to carried interest under U.S. federal income tax law from one year to three years. Such legislation may create a further incentive for the general partners to hold an investment for a longer period.

*Products or Services Received by Incline from Portfolio Companies* - From time to time, it is expected that certain portfolio companies will provide the Adviser and its affiliates with products or services that such portfolio companies regularly produce or provide as part of their business operations at reduced rates or without charge.

Additionally, in connection with its services to the Funds and their investments, the Adviser, its affiliates, and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Adviser's operations, including research, due diligence,

investment monitoring, operational improvements and investment activities, the Adviser and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “Adviser Information”). In many cases, Adviser Information will include tools, procedures and resources developed by the Adviser to organize or systematize Adviser Information for ongoing or future use. Although the Adviser expects its Funds and their portfolio companies generally to benefit from the Adviser’s possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by the Adviser and its personnel) and not by the Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Adviser Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale, or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites, and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds, or their respective investors; no such rewards will offset Management Fees.

*Valuation of Assets* - There is not expected to be an actively traded market for most of the investments owned by the Fund. When estimating fair market value, the general partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts, and circumstances of the respective investments. However, the process of valuing investments 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 investments and may differ from the prices at which such investments are ultimately sold. The general partner’s discretion in respect of such valuations gives rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of the Management Fee.

*Cross-Transactions* – The Adviser reserves the right to arrange for a transaction in which a Fund buys a security from, or sells a security to, the account of one or more other Funds or parallel Funds buy or sell a security from the account of one another in connection with automatic or other re-balancing, as provided for in their governing documents (each, a “cross-transaction”), in each case, when the Adviser deems such a transaction to be in the best interest of each participating Fund. In doing so, the Adviser may (a) use an unaffiliated broker-dealer or custodian to execute such cross-transaction and pay such broker-dealer or custodian in connection therewith, or (b) execute such cross-transaction directly without the use of a broker-dealer or custodian, in which case the Adviser will not receive compensation to effect such transaction. Any compensation expenses or other transaction costs associated with a cross-transaction are expected to be allocated among the Funds participating in such cross-transaction pro rata based upon the expenses that relate to each, unless the Adviser determines that a different allocation would be more fair or

equitable. When effecting cross-transactions, the Adviser will have conflicting responsibilities with respect to each participating Fund. In certain circumstances, a cross-transaction may be considered to be a “principal transaction” (*i.e.*, a transaction in which the Adviser acts as principal for its own account and knowingly transacts with a Fund) under the Advisers Act. To the extent that a cross-transaction may be viewed as a principal transaction, the Adviser will conduct such cross-transaction in accordance with the provisions of Section 206(3) of the Advisers Act. In addition, any cross-transaction may be subject to any advisory board consultation or approval as set forth under the governing Documents of the applicable Funds.

*Allocation of Expenses.* The Adviser and the general partners and their respective affiliates may from time to time incur fees, costs, and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are incurred for the account or for the benefit of a Fund, the Fund will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of the investment made or proposed to be made by each in respect of the entity to which the expense relates or in such other manner as the Adviser and/or general partners considers fair and equitable. Although the Adviser and the general partners and their respective affiliates will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs, and expenses will in all cases be allocated appropriately. Any such determinations will involve inherent matters of discretion and conflicts of interest.

*Material, Non-Public Information* - From time to time, the Adviser, its affiliates, and its personnel may come into possession of confidential or material, non-public information concerning specific companies (“MNPI Information”), including because of certain personnel serving on the boards of directors of portfolio companies. As a consequence of the Adviser’s inability to use MNPI Information for investment purposes, under applicable securities laws and/or the Adviser’s internal policies and practices, a Fund’s investment flexibility may be constrained. For example, a Fund may be restricted from buying or selling an investment which, if MNPI Information had not been known, otherwise may have been undertaken. Each of the Adviser, the general partner and a given Fund anticipates that, to minimize the impact of such restrictions, it may elect to not receive MNPI Information in certain situations in which such an election is available.

*Conflicting Interests Among Limited Partners* - Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicting interests that relate to the structuring and timing of investment acquisitions and dispositions. Therefore, conflicts may arise in connection with decisions regarding investments that may be more beneficial to certain limited partners than to others, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the Adviser generally will consider the investment, tax and other relevant objectives of the Fund and the partners as a whole, rather than the investment, tax, or other objectives of any individual limited partner.

*Fund-level Borrowing* - In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a

rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the general partner called capital, and thus could result in the relevant general partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

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

Conflicts are expected to arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage, and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different investment professionals express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

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

intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification, or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

*Research Costs for Investments* - There may be circumstances when the Adviser considers a portfolio investment on behalf of a Fund and determines not to make such portfolio investment; however, the Adviser could eventually cause another Fund to make such investment. In these circumstances, the Adviser or such other Fund may benefit from research undertaken by the original investment team and/or from costs borne by such Fund in pursuing the potential investment, but the other Fund will not be required to reimburse the Fund for expenses incurred in connection with such research.

*Employee Investors* - It is expected that certain of the Adviser's employees and personnel will invest in the Funds as part of the general partner's commitment. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund investor. For example, employee investors generally will not be subject to a management fee and/or carried interest with respect to their investment, may receive information regarding investments at different times than other limited partners and may benefit from different credit facility arrangements than a Fund.

*Catalyst Group (formerly Technology & Operations Group)* - The use of the Catalyst Group and the allocation of compensation paid to them by the Adviser, its affiliates and/or the portfolio companies involves a conflict of interest. The Adviser believes the conflict may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the allocated cost of the Catalyst Group is lower than market rates for the services provided or if the quality of the services make a greater contribution to the success of the portfolio company. Although the Adviser has formed the Catalyst Group with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention and market rates for similar services may be lower. There can be no assurance that other service providers would not be more qualified to provide the applicable services or would not provide such services at a lesser cost. In addition, though the Adviser intends to utilize the Catalyst Group when their services can be delivered at a value generally consistent with other relevant market alternatives, there can be no assurance that a more qualified and/or lower cost alternative could not be obtained. Further, the Adviser's use of the Catalyst Group is subject to potential conflicts of interest because the Adviser has an incentive to favor retention or continuation of the use of the Group as compared to other available alternatives. Although the Adviser has adopted monitoring and benchmarking procedures to manage potential conflicts, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost than the Catalyst Group.

## **Item 9 – Disciplinary Information**

Registered investment advisers must disclose facts about any legal or disciplinary events that would be material to a client's evaluation of the adviser's business or the integrity of the adviser's management. The Adviser has no legal or disciplinary events of any kind to report.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Incline Management, L.P. is affiliated with other Incline Equity Partners-affiliated investment advisers, including the general partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Incline Equity Partners' registration in accordance with SEC guidance. These entities operate as a single advisory business together with Incline Equity Partners and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions.

Neither the Adviser nor its management persons is registered as, and does not have an application pending as, a securities broker-dealer or registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.

A minority interest in the Adviser is owned by investment vehicles managed by Goldman Sachs Asset Management, L.P., and its affiliates (collectively, "GSAM"). GSAM does not have authority over the day-to-day operations or investment decisions of the Adviser as they relate to the Funds, although it has negotiated certain minority protection and consent rights in connection with its investment in the Adviser. A portion of the capital contributed by GSAM to the Adviser is permitted to be used to fund co-investments and/or strategic transactions, including outside investments made and/or held by one or more of the Principals. Although it intends to maintain operations, strategy and investment decisions separate from GSAM, the Adviser generally will have incentives to conduct operations in a manner that benefits GSAM.

### **Portfolio Company Involvement**

As noted throughout this Brochure, the Adviser and its advisory affiliates or persons controlled by or under common control with the Adviser (its "related persons") are, directly or indirectly, managing members of the general partner of each of the Funds. Certain advisory personnel spend a substantial portion of their business time on one or more of the Funds as required under the terms of each Fund's Governing Documents. Principals, employees, and affiliate entities of the Adviser often become actively involved in portfolio company operations throughout the investment cycle. Please refer to Item 4 – *Advisory Business* for a discussion of this component of the Adviser's services. A related person's involvement with portfolio company operations may introduce a conflict of interest between the fiduciary duty he or she owes as a member of a portfolio company board and the fiduciary duty he or she owes to the Fund. To meet its fiduciary duty, the Adviser will take such action as it believes to be necessary to reduce, and where possible, eliminate any such conflict of interest. Such action may include refraining from voting on certain portfolio company matters, referring conflict matters to the limited partner advisory board, or resigning its

portfolio company Board or executive position. While the risk of these conflicts cannot be eliminated, the Adviser has implemented policies and procedures to address certain of these conflict situations.

The Adviser has entered into and expects to enter into additional agreements, or “side letters,” with certain prospective or existing investors whereby such investors negotiate certain terms and conditions in addition to those set forth in the offering memoranda of the Funds (including discounted or rebated compensation terms, structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Adviser’s compensation), information rights, specialized reporting, or co-investment rights, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic procedural and other terms).

The modifications are solely at the discretion of the Funds and may, among other things, be based on the size of the investor’s investment in the Funds or other similar commitment by an investor. The Adviser is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to the Adviser, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Adviser, its affiliates and personnel, or the Funds. The other limited partners will have no recourse against the Fund or the Adviser in the event that certain limited partners receive additional or different rights or terms as a result of such arrangements. Except where required by the Governing Documents, other investors will not receive copies of side letters or related provisions. Side letters subject the Adviser to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although the Adviser believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. A limited partner’s voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners’ voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund.

## Industry Relationships

As with other private equity fund sponsors, the Adviser, the Principals, and other employees have developed many relationships with third parties, including the minority investment in the Adviser described above, which have the potential to raise conflicts of interest. Such third parties include financial institutions, service providers and other market participants, including but not limited to managers of private funds, investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), banks, brokers, advisors, finders (including executive finders and portfolio company finders), institutional investors, family offices, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of the Adviser, as well as certain family members or close contacts of these persons. Certain of these third parties may: (a) introduce investment opportunities to the Adviser; (b) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (c) introduce portfolio companies to potential acquisition or merger candidates; (d) facilitate the disposition of portfolio companies; or (e) provide investment banking, consulting, legal or advisory services to the Adviser, the Funds, or portfolio companies. Such third parties may also provide goods or services to or have business, personal, political, financial, or other relationships with the Principals. In addition, such third parties may invest in one or more Incline Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to the Adviser, the Funds and/or their portfolio companies. These relationships may influence the Adviser or its affiliates in deciding whether to select or recommend any such third-party to perform services for a Fund or portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Fund or its portfolio companies, as applicable. The Adviser will not necessarily seek out the lowest cost options when engaging (or causing a Fund or its portfolio companies to engage) service providers.

Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where the Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. The Adviser reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, the Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Adviser reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. The Adviser will have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser and/or one or more Funds. For example, the Adviser reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all, or a

portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or successor Fund rather than the Fund making the payment. The Adviser will have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

The relevant liability standards under insurance coverage procured by the Adviser are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in the Adviser's insurance coverage are higher or lower than that set forth in the Governing Documents.

The Chief Compliance Officer is a member of the Investment Committee, and in this capacity, is generally informed about third party engagements, which provides for the identification, mitigation, and/or disclosure of material conflicts of interest.

## **Item 11 – Code of Ethics**

### Code of Ethics and Fiduciary Duty

The Adviser has adopted a code of ethics ("Code of Ethics") that sets forth standards of conduct that are expected of the Adviser's employees and addresses conflicts that arise from personal trading conducted by the Adviser's "access persons," as that term is defined in Rule 204A-1 under the Advisers Act. The Code of Ethics is the primary policy document of the Adviser which defines the expectation and requirement of professional and ethical conduct by all employees.

The Code of Ethics contains policies and procedures relating to: (a) standards of conduct; (b) personal securities transactions; (c) insider trading; and (d) gifts, entertainment, and political contributions. Employees must affirmatively acknowledge the terms of the Code of Ethics each year. Employees who fail to honor the Code of Ethics will be subject to disciplinary sanctions up to and including termination.

### Standards of Conduct

The Adviser's standards of conduct are designed to ensure that its clients, investors, employees, and the Adviser are protected from unethical and unprofessional conduct. The Adviser has policies to, among other things:

- ◆ Govern outside business activities of employees
- ◆ Restrict employee political activity
- ◆ Protect confidential information

- ◆ Prohibit dealings with parties sanctioned by the Office of Foreign Assets Control
- ◆ Facilitate compliance with federal and state securities statutes

### Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are consistent with fiduciary standards and regulatory requirements, and do not conflict with their duty to the Adviser and its clients. The Adviser will monitor and control personal trading through:

- ◆ Receipt and review of personal securities holdings and transactions reports
- ◆ Maintenance of a restricted list of securities in which employees are not permitted to trade or must receive pre-approval to trade
- ◆ Pre-approval of initial public offerings, limited offerings, and private placements

### Insider Trading

The Adviser prohibits any employee from illegally acting on, misusing, or disclosing any material non-public information, also known as “inside information.” The Adviser monitors risks associated with inside information by:

- ◆ Providing periodic employee education and training
- ◆ Authorizing and monitoring employee service on boards of public companies
- ◆ Monitoring and restricting personal trading of employees and certain household members
- ◆ Maintaining a compliance program to monitor employee activity

### Gifts, Entertainment, and Political Contributions

As a fiduciary, the Adviser strives to place client interests first and foremost. The Adviser’s compliance policies and procedures are designed to ensure that the fiduciary standard of care is evident in all interactions with and on behalf of its client Funds. The Adviser’s compliance policies implement internal controls which address a number of business practices including gifts, entertainment, and political contributions. These controls include:

- ◆ Requiring employees to report gifts and entertainment
- ◆ Limiting the dollar value of gifts
- ◆ Monitoring entertainment activities
- ◆ Prohibiting employee political contributions without the Adviser’s pre-approval
- ◆ Maintaining a compliance program to ensure that the Adviser is informed of employee activity not directly related to the business of the Adviser

### Participation or Interest in Client Transactions

Through the limited partnership structure, the Adviser’s affiliates have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by Fund

investments. In certain situations, related persons of the Adviser are not permitted to purchase interests in the portfolio investments held by one or more Funds through the general partner established to facilitate employee compensation programs for qualified employees.

Employees are only permitted to participate in discussions or authorizations to buy or sell a Fund security if the employee's only interest in the security is: (a) held indirectly through one of the general partner entities, the Funds, a Feeder Fund, or otherwise; or (b) related to service as a director or executive of a portfolio company to facilitate the Adviser's ability to monitor Fund investments in the portfolio company. These activities are subject to the Adviser's compliance policies and Code of Ethics.

The Adviser will always endeavor to act in the best interest of the Funds; however, clients should be aware that the Adviser's and the general partner's receipt of compensation from the Funds creates a potential conflict of interest with respect to such transactions. These and other operating relationships have the potential for creating conflicts of interest. Where actual or potential conflicts of interest between the Adviser, related persons and the Funds are identified and not otherwise authorized by the Governing Documents, procedures contained in the Governing Documents of the Funds generally allow for submission of the proposed transaction to a limited partner advisory board for review and resolution. See Item 12 – *Brokerage Practices*, for information about how such conflicts of interest are managed. The role of a limited partner advisory board is further described in Item 13 – *Review of Accounts*.

The Adviser will provide its Code of Ethics to any client or prospective client upon request. To obtain a copy, please contact Deanna Barry at (412) 315-7788.

## **Item 12 – Brokerage Practices**

### **Broker Selection and Best Execution**

Typically, the purchase or sale of a security for a Fund will involve a privately negotiated transaction with the issuer, prospective seller, or prospective purchaser(s) of the security, and generally will not involve the services of a traditional broker or dealer as is customary in the transaction of registered securities. The Adviser seeks to negotiate and execute transactions in compliance with the Governing Documents of the Funds, its fiduciary duty to Fund investors, and the Adviser's compliance policies and procedures.

With regard to the purchase and sale of certain portfolio companies however, it may be necessary for the Adviser to engage a broker or dealer to ensure that a transaction is closed in a manner most advantageous to the Fund. When executing portfolio transactions using brokers or dealers, the Adviser, through the general partner, seeks the best overall execution terms available to close the deal expeditiously and on terms most favorable to the Fund.

In assessing the best overall terms available for a transaction, the full range and quality of a broker or dealer's services are considered, including execution capability, experience in private equity transactions, network of contacts and relationships, research services (such as reports and analyses of markets, industries, companies, and economic trends), commission rates (or their equivalents),

reputation and integrity, financial responsibility, and responsiveness. Broker or dealer arrangements are guided by contractual agreements in part to protect the integrity and confidentiality of Fund investment activity and to seek assurances as to the proper qualifications of such brokers or dealers.

### Co-Investments

The Adviser reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons (including Operations Group members), in each case on terms to be determined by the Adviser in its sole discretion. Conflicts of interest will arise in the allocation of such co-investment opportunities. Such allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of a Fund or any individual limited partner.

In exercising its sole discretion in connection with such co-investment opportunities, including with respect to allocating a particular investment to and among potential co-investors and determining the terms thereof, the Adviser expects to consider some or all of a wide range of factors (some or all of which may benefit the Adviser or its affiliates), including but not limited to: (a) the ability of a potential co-investor to react promptly to a co-investment opportunity; (b) any strategic advantages that may result from a potential co-investor's participation in a co-investment opportunity; (c) a potential co-investor's commitment to a Fund and/or commitment to one or more other Funds; (d) the likelihood that a potential co-investor will invest in the Fund and/or a future other Fund; (e) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (f) tax, regulatory and/or securities law considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); (g) confidentiality concerns that may arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (h) whether the potential co-investor's participation in an investment opportunity may subject the relevant Fund to legal, regulatory, reporting or other burdens or could impair the ability of the Adviser to execute the relevant transaction in the desired time or on desired terms; (i) the size of the investment allocation and practicality of dividing it among multiple potential co-investors; (j) lender requirements; and/or (k) whether the Adviser or its affiliates believe that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Fund or other Funds. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Adviser, it generally will not be the sole determining factor considered by the Adviser in identifying co-investors. Additionally, the Adviser reserves the right to permit operating executives, Catalyst Group Members, operating partners, strategic partners, executive partners, senior advisors, vendors or service providers to co-invest alongside the Funds.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser in consultation with other participants in the relevant transactions, such as a co-sponsor. Additionally, from time to time, certain service providers (*e.g.*, lenders) seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to the Adviser, a Fund or portfolio company in connection with the services provided.

Co-investment opportunities typically will be offered to some and not to other limited partners, and the consideration of the factors set forth above is expected to result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. The Adviser's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to a Fund, other Funds or any other co-investment vehicle, and such allocations are expected to be more or less advantageous to some persons or entities than to others.

Additionally, conflicts of interest will arise in the allocation of co-investment opportunities to the extent that such allocation may benefit the Adviser or its affiliates instead of, or more than, a Fund or is not in the best interests of a Fund or any individual limited partner. The Adviser also reserves the right, in its sole discretion, to charge a Management Fee and/or obtain a "carried interest" in the co-investment. As a result of the fact that co-investments alongside a Fund will not be made through a Fund, any fees or other co-investor-related compensation (including fees of the type included in the definition of "Transaction Fees") received with co-investments will not arise out of the investment activities of a Fund or actions taken directly or indirectly by the Adviser on behalf of a Fund and, therefore, none of such fees or other co-investor-related compensation will be applied to reduce the Management Fee. The Adviser and/or its affiliates plan to retain any such fees.

To the extent that another Fund co-invests or commits to co-invest alongside a given Fund, any fees of the type included in the definition of "Transaction Fees" with respect to such co-investment or potential co-investment will be allocated among the Fund and such other Fund pro rata (based on the cost of such co-investment or potential co-investment held or proposed to be held by each), or in such other manner as the Adviser and/or the relevant general partners mutually agree.

If a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities, and out-of-pocket fees (including any break-up or topping fees), costs and expenses relating to such unconsummated transaction are expected to be borne by the Fund, and not by any potential or expected co-investors, subject to any restrictions set forth in the applicable Partnership Agreement.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual, or similar restrictions, expense allocation decisions will generally be made by the Adviser or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a

particular expense has greater benefit to a Fund or the Adviser. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

Co-investments with third parties through partnerships, joint ventures or other entities or arrangements involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a Fund, may have financial difficulties (which may increase the possibility of default), or may be in a position to take (or block) action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. In those circumstances where third parties involve a management group, they may receive compensation arrangements relating to such co-investments, including incentive compensation arrangements.

#### Allocation and Aggregation of Transactions

The Adviser follows an allocation and aggregation policy under which the Adviser and affiliate entities seek to allocate and aggregate transactions on a fair and equitable basis under the circumstances over time, consistent with Governing Documents of the Funds and the Adviser's fiduciary duty. Aggregated portfolio investments are generally allocated among a participating Fund and other co-investment vehicles on a *pro rata* basis, with exceptions based on applicable investment objectives, strategies, and other guidelines. When the investment period of a Fund has expired, with the exception of certain follow-on investments to existing portfolio company positions and investments committed to prior to the end of the investment period, a Fund will generally not engage in new acquisition transactions. The Adviser's investment discretion to allocate investment opportunities is exercised according to the Governing Documents of applicable Funds.

The Adviser directs the allocation of capital commitments for all Funds pursuant to its allocation and aggregation policy, under which it considers certain criteria, including, among others: (a) Fund objectives; (b) Fund size and available investment capital; (c) Fund diversification guidelines; (d) size and scope of the investment opportunity; and (e) current and anticipated market conditions. If an investment opportunity is suitable for more than one Fund, the Adviser and its affiliate entities will allocate the investment opportunity among the Funds in a manner that, over time, it believes is fair and equitable and consistent with the respective fiduciary obligations of the Adviser's affiliates and the Governing Documents of the relevant Funds, including any investment allocation considerations set forth in the relevant Fund's Governing Documents and/or the Adviser's investment allocation policy. The limited partner advisory boards, appointed by the general partners of the Funds, may assist in this process. A Fund will generally not allocate more than 20-25% of capital commitments to a single portfolio company.

#### Directed Brokerage and Soft Dollars

The Adviser does not permit the direction of any Fund transactions to any broker by an investor and does not engage in soft dollar arrangements. Soft dollar arrangements are a means of paying brokerage firms for their services through commission revenue rather than by direct hard dollar

payments. However, the Adviser may receive general unsolicited research from certain brokers or investment banks specializing in private equity investments. The Adviser has no contractual obligation to compensate or do business with these research providers.

## **Item 13 – Review of Accounts**

### Review of Fund Portfolios

All investments are carefully reviewed and approved by the Fund's Investment Committee as described in applicable Governing Fund Documents. The Investment Committee must reach a unanimous decision prior to committing Fund capital or exiting a Fund investment. The Adviser's investment professionals actively monitor and review each Fund's investment portfolio on a continuous basis. The investment team(s) include(s) one or more of the Principals and other investment professionals of the Adviser. Investments are reviewed in light of each Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Fund. During the review process, investment professionals analyze existing portfolio company positions to identify issues early on, take any necessary actions, and monitor portfolio company performance relative to the original investment thesis.

Fund investments are private, illiquid, and long term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. The Adviser's investment professionals meet regularly to review ongoing monitoring activities and to evaluate potential new platform investments and add-on acquisitions. Members of the Investment Committee also meet once per quarter to review and approve quarterly carrying values of each Fund's respective investments.

### Limited Partner Advisory Board

From time to time, a limited partner advisory board for a Fund will participate in the review process. The advisory board is comprised of representatives of the limited partners who are appointed by the general partner to engage in certain activities as specified in the Governing Documents of each Fund, which may include: (a) review and approve/disapprove potential or actual conflicts of interest; (b) review periodic valuations of investments by the general partner; (c) consent on behalf of the limited partners to certain actions requiring their approval under the Advisers Act; and (d) consider such other matters as may be provided by the partnership agreement or determined by the general partner to be considered by the advisory board. Pursuant to the terms of the Governing Documents, all limited partners are bound by the determinations of the advisory board, regardless of whether a limited partner is represented by a member of the advisory board. The general partner retains ultimate responsibility for all decisions relating to the operation and management of the applicable Fund.

A Fund's advisory board may not have the same interests as all limited partners. An advisory board member may consider the interests of the limited partner it represents over the interests of the limited partners as a whole when voting or consenting to any matter submitted to the advisory board. No advisory board member owes any fiduciary duties to the Fund or any other partner. Members of the advisory board may have various business and other relationships with the Adviser

and its members, partners, managers, directors, officers, employees, and affiliates which relationships may influence their decisions as members of the advisory board. If a limited partner is not represented by a member of the advisory board, such limited partner will have no influence over matters submitted to the advisory board for review or approval. Furthermore, the Fund's advisory board members cannot be expected to be expert in investing, and certain of its determinations may, in fact, adversely affect the performance of the Fund. A Fund will also indemnify members of its advisory board for any losses or damages incurred in connection with serving on the advisory board so long as such losses or damages did not result from such member's fraud.

#### Reports to Investors

The general partner provides periodic financial reports and a summary of investments for Fund investors to monitor their investments. The Adviser distributes written reports to investors as required by the Governing Documents of each Fund. Written reports generally convey to Fund investors: (a) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles (within 120 days after a Fund's fiscal year end as required by the custody rule or alternatively, within 90 days after a Fund's fiscal year end for certain funds per Governing Document requirements); (b) unaudited summary financial and other information on a quarterly basis; (c) annual tax information necessary for each partner's U.S. tax returns; and (d) quarterly descriptive investment information for each portfolio company. Fund investors are also invited to attend an annual meeting during which general information is provided.

### **Item 14 – Client Referrals and Other Compensation**

#### Economic Benefits Received from Third Parties

The Adviser, either directly or indirectly through its affiliates acting as general partners to the Funds, will receive compensation from certain portfolio companies in connection with consulting services provided to such companies in the ordinary course of business. The Adviser and its affiliate entities expect to also receive fees and other compensation, such as breakup fees, from transactions not consummated by a Fund in connection with the Fund's proposed investment in such transactions. As described more fully in the Fund's Governing Documents, such fees and other compensation will be shared, in part or in whole, with the limited partner investors through reductions or off-sets against Management Fees that would otherwise be payable by them.

#### Placement Agents

From time to time, the Adviser engages an unaffiliated placement agent. A legal agreement between parties is executed to guide the terms of engagement which include among other requirements that the placement agent abide by federal securities statutes in discharging activities on behalf of the Adviser. These arrangements generally are disclosed in the relevant Fund's Form D. In accordance with the terms of the relevant Fund's Governing Documents, any such placement agent fees will ultimately be payable by the Adviser and/or its affiliated entities, either directly or through an offset of the Management Fee payable by the relevant Fund to the Adviser. A Fund

investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer will be motivated, at least partially, by financial gain and not because the Funds are suitable to the prospective investor's needs.

## **Item 15 – Custody**

Custody occurs when the Adviser or related person directly or indirectly holds client funds or securities or has the ability to gain possession of them. The Adviser is deemed to have custody of the assets of the Funds within the meaning of the Advisers Act due to its affiliation with the general partner of each Fund. The Funds advised by the Adviser are privately offered limited partnerships and are subject to an annual audit by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected independent accounting firm in accordance with Rule 206(4)-2 under the Advisers Act. The audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles ("GAAP") and distributed to Fund investors within 120 days of the Fund's fiscal year end as required by the custody rule or alternatively, within 90 days of the Fund's fiscal year end for certain funds per Governing Document requirements. Investors should review these audited financial statements carefully.

Any Alternative Investment Vehicle ("AIV") formed to facilitate a portfolio investment in a Fund for special tax or regulatory reasons is also subject to an annual audit by a PCAOB registered and inspected independent accounting firm in accordance with the Advisers Act. Upon the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

## **Item 16 – Investment Discretion**

As discussed in Item 4 – *Advisory Business*, the Adviser provides investment advisory services to each Fund on a discretionary basis but is subject to the overall supervision of the general partner of each Fund. The limitations on the Adviser's investment discretion are established through negotiations with the investors in each Fund and/or its general partner. These limitations, which are negotiated on a case-by-case basis and will vary from time to time, are incorporated into each Fund's Governing Documents, which include the applicable management agreement with the Adviser. In the case of Funds whose investment periods have closed, the Adviser's investment discretion will generally be limited to certain follow-on investments and the liquidation of existing portfolio company positions.

## **Item 17 – Voting Client Securities**

The Adviser reserves the right to vote proxies (or similar instruments) for a Fund if required under the management agreement with the general partner of such Fund. In accordance with Advisers Act requirements, the Adviser has adopted proxy policies to address voting requirements, if any,

for Fund portfolio investments. Proxy policies seek to ensure that the Adviser votes proxies in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies.

It is important to note that the Adviser or general partner will typically name one or more affiliated persons to serve on the board of directors of portfolio companies. As such, a conflict of interest could arise when voting certain common proxies, including board composition, tenure, or compensation.

The Adviser believes its interests are aligned with Fund investors through the general partner's ownership interests in the Fund and therefore does not generally seek investor approval or direction when voting proxies. If, however, there is or may be a conflict of interest between the general partner and the Fund in voting proxies, the Adviser generally is permitted to address the conflict using several alternatives, to include seeking counsel of the respective limited partner advisory board on the proposed proxy vote or through alternatives set forth in proxy policies.

The Adviser's proxy policies are designed to ensure that any material conflict of interest is identified for a particular proxy vote and the vote is not improperly influenced by the conflict. If you are an investor and would like to obtain a copy of the Adviser's proxy voting policies or additional information about how proxies have been voted, please contact Deanna Barry at (412) 315-7788.

## **Item 18 – Financial Information**

The Adviser does not solicit fees six months or more in advance. The Adviser and its affiliate entities have no financial obligation that impairs their capacity to meet contractual and fiduciary commitments to clients, nor has the Adviser or its affiliate entities been the subject of a bankruptcy proceeding.



**INCLINE**  
EQUITY PARTNERS

# **ADV Part 2B**

## **Brochure Supplements**

Incline Equity Partners  
625 Liberty Avenue  
EQT Plaza – Suite 2300  
Pittsburgh, PA 15222  
412-315-7800  
[www.inclineequity.com](http://www.inclineequity.com)

March 30, 2022

Brochure Supplements provide information about certain advisory personnel of Incline Equity Partners (“the Adviser”). This information supplements the Adviser’s Brochure outlined above. Please contact Deanna Barry, Chief Compliance Officer, at (412) 315-7788 if you did not receive the Brochure or if you have any questions about the contents of these supplements.

## **John (“Jack”) Carl Glover**

Co-Founder and Managing Partner

Incline Equity Partners

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EQT Plaza – Suite 2300

Pittsburgh, PA 15222

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*This Brochure Supplement provides information about John Carl Glover that supplements the Incline Equity Partners Brochure. You should have received a copy of that Brochure. Please contact Deanna Barry at (412) 315-7788 if you did not receive the Brochure or if you have any questions about the contents of this supplement. Additional information about Incline Equity Partners is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Educational Background and Business Experience \***

- ◆ Year of Birth 1966
- ◆ Duquesne University -- B.S.B.A. 1988
- ◆ University of Chicago -- M.B.A. 1994
- ◆ PNC Equity Management Corp., Partner and Senior Vice President -- 08/96 to 09/11
- ◆ Incline Equity Partners, Co-Founder and Managing Partner -- 10/11 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Glover.

### **Other Business Activities**

Mr. Glover is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Glover does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Glover sources, negotiates, structures, and manages investments made pursuant to the investment strategy of the Adviser’s pooled investment vehicles. As a voting member of the Adviser’s Investment Committees, Mr. Glover retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for the Adviser’s pooled investment vehicles. Mr. Glover is not subject to the direct supervision of any other individual although Deanna Barry (412-315-7788), Chief Compliance Officer for the Adviser, oversees his compliance with advisory policies and procedures.

## **Justin Leslie Bertram**

Co-Founder and Senior Partner

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### **Educational Background and Business Experience \***

- ◆ Year of Birth 1972
- ◆ Allegheny College -- B.S. 1995
- ◆ Columbia University -- B.S. 1996
- ◆ Carnegie Mellon -- M.B.A. 2003
- ◆ PNC Equity Management Corp., Managing Director -- 07/98 to 09/11
- ◆ Incline Equity Partners, Chief Compliance Officer -- 12/17 to 12/21
- ◆ Incline Equity Partners, Co-Founder and Senior Partner -- 10/11 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Bertram.

### **Other Business Activities**

Mr. Bertram is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Bertram does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Bertram sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committees, Mr. Bertram retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Mr. Bertram is not subject to the direct supervision of any other individual although Deanna Barry (412-315-7788), Chief Compliance Officer of the Adviser, is designated to oversee his compliance with advisory policies and procedures.

## **Leon Michael Rubinov**

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### **Educational Background and Business Experience \***

- ◆ Year of Birth 1975
- ◆ Georgetown University -- B.S. 1998
- ◆ Northwestern University -- J.D./M.B.A. 2005
- ◆ The Boston Consulting Group, Project Leader -- 9/05 to 5/08
- ◆ Sterling Partners, Vice President -- 5/08 to 5/11
- ◆ Incline Equity Partners, Principal -- 5/11 to 6/16
- ◆ Incline Equity Partners, Senior Partner -- 6/16 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Rubinov.

### **Other Business Activities**

Mr. Rubinov is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Rubinov does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Rubinov sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committees, Mr. Rubinov retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Mr. Rubinov is not subject to the direct supervision of any other individual although Deanna Barry (412-315-7788), Chief Compliance Officer for the Adviser, oversees his compliance with advisory policies and procedures.

## **John Morley**

Partner

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### **Educational Background and Business Experience \***

- ◆ Year of Birth -- 1982
- ◆ Brigham Young University -- B.S. 2006
- ◆ The Wharton School, University of Pennsylvania -- M.B.A. 2012
- ◆ Bain & Company, Associate Consultant -- 7/06 to 4/08
- ◆ Sorenson Capital, Associate -- 4/08 to 7/10
- ◆ H.I.G. Capital, Vice President -- 6/12 to 7/13
- ◆ Incline Equity Partners, held various positions prior to being named Partner -- 8/13 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Morley.

### **Other Business Activities**

Mr. Morley is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Morley does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Morley sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of certain Investment Committees, Mr. Morley retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412-315-7781), Co-Founder and Managing Partner, directly oversees Mr. Morley's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Morley's compliance with advisory policies and procedures.

## **Joseph K. Choorapuzha**

Partner

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### **Educational Background and Business Experience \***

- ◆ Year of Birth -- 1983
- ◆ Columbia University -- B.A. 2005
- ◆ The Wharton School, University of Pennsylvania -- M.B.A. 2015
- ◆ BofA Securities, Analyst -- 6/05 to 7/07
- ◆ Centre Lane Partners, held various positions including Associate, Vice President, Consultant, Portfolio Company Board Member -- 9/07 to 4/15
- ◆ Tenex Capital Management, Vice President -- 6/15 to 10/15
- ◆ Incline Equity Partners, held various positions prior to being named Partner -- 10/15 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Choorapuzha.

### **Other Business Activities**

Mr. Choorapuzha is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Choorapuzha does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Choorapuzha sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of certain Investment Committees, Mr. Choorapuzha retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412-315-7781), Co-Founder and Managing Partner, directly oversees Mr. Choorapuzha's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Choorapuzha's compliance with advisory policies and procedures.

## **Thomas Ritchie**

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### **Educational Background and Business Experience \***

- ◆ Year of Birth 1972
- ◆ Princeton University -- A.B. 1994
- ◆ University of Virginia -- J.D./M.B.A. 2002
- ◆ UBS Investment Bank, Associate Director -- 2002 to 2004
- ◆ CI Capital Partners (fka Caxton-Iseman Capital), Managing Director -- 2004 to 2017
- ◆ Incline Elevate GP, L.P., Partner -- 10/18 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Ritchie.

### **Other Business Activities**

Mr. Ritchie is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Ritchie does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Ritchie sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committee, Mr. Ritchie retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412- 315-7781), Co-Founder and Managing Partner, directly oversees Mr. Ritchie's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Ritchie's compliance with advisory policies and procedures.

## **Evan Jeffrey Weinstein**

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### **Educational Background and Business Experience \***

- ◆ Year of Birth 1981
- ◆ Longwood University -- B.S. 2004
- ◆ Lehman Brothers, Investment Banking Analyst -- 7/04 to 11/06
- ◆ CI Capital Partners (fka Caxton-Iseman Capital), Senior Vice President -- 11/06 to 4/16
- ◆ PAI Partners, Principal -- 4/16 to 10/18
- ◆ Incline Elevate GP, L.P., Partner -- 10/18 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Weinstein.

### **Other Business Activities**

Mr. Weinstein is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Weinstein does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Weinstein sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committee, Mr. Weinstein retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412- 315-7781), Co-Founder and Managing Partner, directly oversees Mr. Weinstein's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Weinstein's compliance with advisory policies and procedures.

## **Victor Anthony Martinelli IV**

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### **Educational Background and Business Experience \***

- ◆ Year of Birth -- 1989
- ◆ Tepper School of Business at Carnegie Mellon University -- B.S. 2012
- ◆ Incline Equity Partners Associate -- 9/15 to 3/17
- ◆ CIP Capital, Associate -- 4/17 to 3/18
- ◆ Incline Elevate GP, L.P., held one or more positions prior to being named Managing Director -- 10/18 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Martinelli.

### **Other Business Activities**

Mr. Martinelli is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Martinelli does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Martinelli sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committee, Mr. Martinelli retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412- 315-7781), Co-Founder and Managing Partner, and Thomas Ritchie (212-887-1261), Partner, directly oversee Mr. Martinelli's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Martinelli's compliance with advisory policies and procedures.

## **Robert David Erwin**

Partner

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### **Educational Background and Business Experience \***

- ◆ Year of Birth -- 1968
- ◆ Duquesne University -- B.A. 1990
- ◆ Carnegie Mellon University -- M.B.A. 1999
- ◆ PNC Bank, Managing Director -- 7/90 to 3/03
- ◆ Barings LLC, Managing Director -- 4/03 to 7/18
- ◆ Monument MicroCap Partners LLC, Co-Founder, President & CEO -- 7/18 to 4/21
- ◆ Incline Equity Partners, Partner -- 6/21 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Erwin.

### **Other Business Activities**

Mr. Erwin is not engaged in any reportable investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Erwin does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Erwin sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committee, Mr. Erwin retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412-315-7781), Co-Founder and Managing Partner, directly oversees Mr. Erwin's investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Erwin's compliance with advisory policies and procedures.

## **Bradley Richard Phillips**

Managing Director  
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### **Educational Background and Business Experience \***

- ◆ Year of Birth -- 1988
- ◆ Northwestern University -- B.A. 2010
- ◆ University of Chicago -- M.B.A. 2016
- ◆ William Blair, Analyst -- 6/10 to 6/12
- ◆ LaSalle Capital, Senior Associate -- 7/12 to 7/16
- ◆ The Heritage Group, Manager Strategy M&A -- 7/16 to 6/17
- ◆ Incline Equity Partners, held one or more positions prior to being named Managing Director -- 6/17 to Present

### **Disciplinary Information**

There are no legal or disciplinary events to disclose for Mr. Phillips.

### **Other Business Activities**

Mr. Phillips is not engaged in any investment-related business outside of his role with the Adviser and its affiliate entities.

### **Additional Compensation**

Mr. Phillips does not receive any additional compensation to be disclosed.

### **Supervision**

Mr. Phillips sources, negotiates, structures, and manages investments made pursuant to the investment strategy of certain of the Adviser's pooled investment vehicles. As a voting member of the Adviser's respective Investment Committee, Mr. Phillips retains decision-making authority, along with fellow principals of the Adviser, for selection and disposition of investments for certain of the Adviser's pooled investment vehicles. Jack Glover (412-315-7781), Co-Founder and Managing Partner, directly oversees Mr. Phillips' investment activities. Deanna Barry (412-315-7788), Chief Compliance Officer, oversees Mr. Phillips' compliance with advisory policies and procedures.

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\* Endnote: Within the Educational Background and Business Experience section, the title disclosed for previous employers represents the last position held by the professional at such firm.