

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

LAKE CAPITAL MANAGEMENT LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Lake Capital Management LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (312) 640-7050. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

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

MATERIAL CHANGES

Lake Capital Management LLC filed its most recent Brochure on March 30, 2021. This annual amendment updates the description of the business practices of Lake Capital Management LLC and its affiliates.

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ADVISORY BUSINESS

Lake Capital Management LLC (the “Management Company”), is a private investment management firm and a registered investment adviser with approximately \$242.8 million in client assets under management as of December 31, 2021. The Management Company is a Colorado limited liability company formed in October 1995.

The Management Company and its affiliates (collectively, “Lake”), including Lake Capital LLC (“Lake LLC”), Lake Capital Investment Partners LP (“General Partner I”) and Lake Capital Investment Partners II LP (“General Partner II”) provide investment supervisory services to their clients, which currently consist of investment funds privately offered to qualified investors in the United States and elsewhere (each, a “Fund,” and together with any future private investment funds to which the Management Company and/or its affiliates provide investment advisory services, including employee and co-investment vehicles and alternative investment vehicles, the “Funds”).

The Management Company, Lake LLC, General Partner I and General Partner II operate as a single investment advisory firm and are all under common control (each an “Adviser” and collectively, the “Advisers”). Each Adviser is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. General Partner I serves as the general partner of Lake Capital Partners LP (“Fund I”) and General Partner II serves as the general partner of Lake Capital Partners II LP (“Fund II”). Each General Partner has discretionary authority to make investment decisions on behalf of the applicable Fund, subject to applicable constraints set forth in the governing documents of the applicable Fund. The active investment periods for both Fund I and Fund II have ended.

The Funds are private equity funds and invest through privately negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Pursuant to each Fund’s agreement of limited partnership and/or other governing document (each, a “Partnership Agreement”), General Partner I and General Partner II (together with any future general partner of a Fund, the “General Partners”) have the authority to manage the business and affairs of Fund I and Fund II, respectively. Each General Partner has delegated, subject to its oversight, day-to-day responsibility for the management and operations of the Funds to the Management Company pursuant to management agreements between the General Partners and Lake LLC and, in turn, Lake LLC and the Management Company (each, a “Management Agreement”).

The investment advisory services provided to the Funds by the Advisers consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Each Fund invests predominantly in non-public companies, although each Fund may invest in public companies, subject to any limitations set forth in its respective Partnership Agreement. The Funds generally seek to take a controlling position when investing in a portfolio company, and generally at least one Lake principal or other Lake investment professional serves on a portfolio company’s board of directors in order to represent the applicable Fund’s interests in the portfolio company.

The Advisers' advisory services for the Funds are detailed in the respective private placement memoranda or other offering documents (each a "Memorandum"), the Management Agreements and Partnership Agreements (collectively, the "Fund Documents") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in a Fund (generally referred to herein as "investors" or "limited partners") participate in such Fund's overall investment program, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Fund Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Advisers and any investor. Each Fund or its General Partner generally enters into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights under, altering or supplementing the relevant Partnership Agreement, which may include, without limitation, providing informational rights or addressing regulatory matters, with respect to such investors.

The Management Company's principal owners are Paul G. Yovovich and Lake Creek, LLC, which is 100% owned by Terence M. Graunke. Paul G. Yovovich and Terence M. Graunke are the founding principals of Lake (the "Founding Principals").

FEES AND COMPENSATION

The following is a general description of fees, compensation, and expenses of the Funds. Differences exist between the Funds, and a Fund does not necessarily charge certain fees, compensation, or expenses that the other Fund charges. The Partnership Agreements of the Funds describe fees, compensation and expenses in greater detail.

In general, the Management Company receives a management fee (the "Management Fee") and the applicable General Partner receives a carried interest in connection with advisory services provided to each Fund. For each Fund, the carried interest distributed to a General Partner is generally subject to a potential giveback after the final distribution of the Fund's assets if the General Partner has received excess cumulative distributions. To the extent specified in the applicable Fund Documents, the Management Company or other Lake entities or affiliates are permitted to, and often do, receive additional compensation in connection with management and other services performed for portfolio companies (e.g., monitoring or other fees) of Funds and the applicable Fund Documents typically provide that a specified percentage of the portion of such additional compensation attributable to the Fund's investment in a portfolio company will be credited against the Management Fees otherwise payable to the Management Company. Investors should review the applicable Fund's Partnership Agreement for details regarding the fee structures summarized below. Terms not defined herein are defined in the applicable Partnership Agreement.

Management Fees

Fund I

Initially, Fund I paid a Management Fee equal to 2% on an annual basis of aggregate Commitments. Effective upon the receipt of Fund II's Management Fees, Fund I's Management Fee has been reduced to 1.5% per annum of (i) the aggregate amount of Investment

Contributions less (ii) distributions to the extent of Investment Contributions made with respect to investments that have been disposed of and capital invested in any investment that has been completely written-off (in accordance with the valuation provisions of Fund I's Partnership Agreement) to the extent distributions have not been made with respect thereto, in each case as determined on the first day of the period with respect to which a determination is being made. The amount of Management Fees will not be reduced based on reductions in investment value, except where specified by Fund I's Partnership Agreement.

As set forth in Fund I's Partnership Agreement, Fund I's Management Fee is generally reduced, although not below zero, by a portion of directors' fees, consulting fees, commitment fees, monitoring fees, break-up fees, closing fees, investment banking fees, placement fees and other similar fees (collectively, "Supplemental Fees") paid to the Advisers and certain of their affiliates and attributable to Fund I's investment in the applicable portfolio company. To the extent that such an offset credit would reduce Fund I's Management Fee for a given period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence potentially will result). A fee offset credit typically will not apply to the portion of any Supplemental Fee that relates to co-investors, which have the potential to be significant.

Fund II

Initially, Fund II paid a Management Fee equal to 2% on an annual basis of the aggregate Commitments. Since Fund II's Commitment Period has ended, its Management Fee has been reduced to 1.5% per annum of (i) the aggregate amount of Investment Contributions and deemed contributions made with respect thereto and, subject to certain limitations, guarantees of portfolio company related indebtedness, less (ii) distributions to the extent of Investment Contributions made with respect to investments that have been disposed of and capital invested in any investment that has been completely written-off (in accordance with the valuation provisions of Fund II's Partnership Agreement) to the extent distributions have not been made with respect thereto, in each case as determined on the first day of the period with respect to which a determination is being made. The amount of Management Fees will not be reduced based on reductions in investment value, except where specified by Fund II's Partnership Agreement.

As set forth in Fund II's Partnership Agreement, Fund II's Management Fee is generally reduced, although not below zero, by a portion of Supplemental Fees paid to the Advisers and certain of their affiliates and attributable to Fund II's investment in the applicable portfolio company. To the extent that such an offset credit would reduce Fund II's Management Fee for a given period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence potentially will result). A fee offset credit typically will not apply to the portion of any Supplemental Fee that relates to co-investors, which have the potential to be significant.

In addition, Fund II's Partnership Agreement allows General Partner II to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by

the Partnership Agreement as a deemed capital contribution by General Partner II, which is effectively invested in Fund II on General Partner II's behalf, and operates to reduce the amount of capital General Partner II would otherwise be required to contribute to Fund II. The limited partners of Fund II would, in such circumstances, be required to make a pro rata contribution according to their respective Commitments to fund any contribution that would otherwise be required of General Partner II in connection with any such waiver or reduction as described above. Waived or reduced Management Fees are not subject to the Management Fee offsets described above and have the potential to be significant.

Other Management Fee Information

Management Fees are calculated and paid on a semi-annual basis, partially in advance and partially in arrears. Installments of the Management Fee payable for any period other than a full semi-annual period are adjusted on a pro rata basis based upon the actual number of days in such period. A Fund's Management Fee is payable, and Supplemental Fees likely will be paid to such Fund, until all Fund assets have been distributed as described in the Partnership Agreement. Investors participating in a closing after a Fund's initial closing bear the Management Fee from such initial closing date, plus an additional amount as described in the Partnership Agreement.

Carried Interest

General Partner I and General Partner II are each generally entitled to receive a carried interest equal to 20% of all realized profits of Fund I and Fund II, respectively, subject in each case to an 8% annually compounded preferred return and related general partner catch up provision, as more fully described in the applicable Partnership Agreement. The carried interest distributed to each General Partner is subject to a potential giveback at the end of the applicable Fund's life if the General Partner has received excess cumulative distributions.

Other Information

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the applicable Partnership Agreement, until such time as all Fund assets have been distributed, and investors generally are not permitted to withdraw from or redeem interests in the Funds.

Principals or other current or former employees of the Advisers generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the Management Company or its affiliates.

In addition to the Management Fee and carried interest payable to the Advisers, as set forth more fully in the applicable Memorandum and/or Partnership Agreement, each Fund bears all fees, costs, expenses, liabilities and obligations in connection with the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business (to the extent not borne or reimbursed by a portfolio company), but not the Advisers' expenses in connection with maintaining and operating their offices (such as compensation of its employees, rent, utilities and general office expenses). Such Fund expenses typically include: (i) all costs and expenses attributable to structuring, organizing, acquiring, managing, owning, operating, holding, valuing,

winding up, liquidating, dissolving and disposing of the Fund's investments (including, without limitation, interest on money borrowed by the Fund, the Management Company, the General Partner or any Affiliated Partner on behalf of the Fund, registration expenses and brokerage, finders', custodial and other fees), (ii) legal, accounting, tax, research, auditing, consulting, financing, insurance (including, without limitation, directors and officers liability and general partnership liability insurance), filing and other fees and expenses (including, without limitation, expenses associated with the preparation, distribution or filing of the Fund's financial statements, tax returns and Schedule K-1s), (iii) Advisory Board expenses incurred in accordance with the Partnership Agreement and all out-of-pocket fees and expenses incurred by the Fund or the Management Company and its affiliates in connection with the annual meetings of the Fund's limited partners and any other conference or meeting with any limited partner(s), (iv) costs, expenses, liabilities and obligations of the Fund associated with the acquisition, holding or disposition of investments (including, without limitation, travel (including private and charter aircraft costs), lodging, meals and entertainment, insurance, litigation and indemnification costs and expenses, judgments and settlements), (v) all out-of-pocket fees and expenses incurred by the Fund or the Management Company and its affiliates relating to investment and disposition opportunities for the Fund not consummated (including, without limitation, legal, accounting, auditing, tax, consulting and other fees and expenses, financing commitment fees, real estate title and appraisal costs, and printing), (vi) any taxes, fees and other governmental charges levied against the Fund, (vii) unreimbursed costs and expenses incurred in connection with any transfer of limited partner interests in the Fund, (viii) all costs and expenses associated with the termination, liquidation, winding up or dissolution of the Fund, and (ix) any private placement fees and expenses paid to third parties in connection with the organization and funding of the Fund. The Funds also bear expenses indirectly from the payment by portfolio companies (or a Fund's intermediate entities) of expenses; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon where in the entity structure such expenses are charged or incurred. 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. In certain cases, these or similar expenses (and/or Supplemental Fees) 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 Advisers reserve 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. Additionally, subject to the applicable Fund Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. To the extent brokerage fees are

incurred, they will be incurred in accordance with the practices set forth in “Brokerage Practices.”

The Advisers generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and amount of such fee or compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such Supplemental Fees may give rise to conflicts of interest between the Advisers and the Funds.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the Advisers receive a carried interest allocation on certain realized profits in the Funds. The Advisers currently advise only Funds that are charged a performance-based fee.

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

TYPES OF CLIENTS

The Management Company provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to the Advisers’ related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors 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 or other investment entities, and from time to time include, directly or indirectly, principals or other employees of the Management Company and its affiliates.

Fund I and Fund II are closed to new investors, but each Fund generally had a minimum investment amount of \$5 million for third-party investors, which each Fund’s General Partner had the right to waive. In most circumstances investors in the Funds must meet minimum suitability and net worth qualifications prior to investing in the Funds. Generally, investors must be (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) for certain funds, either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

The Management Company provides day-to-day investment advisory services to the Funds; provided that all decisions, consents and other determinations (including, without limitation, decisions, consents and other determinations with respect to a Fund relating to the acquisition and disposition of the Fund's investments, distributions by the Fund of cash and securities and amendments to the respective Partnership Agreement) are made by the General Partner. The General Partner has ultimate decision-making authority for the respective Fund. Because the Advisers have common owners and personnel, the Advisers' general investment methodology is described below. Investors should refer to the applicable Fund Documents for further information regarding investment strategies employed for a specific Fund.

There can be no assurance that the Advisers will achieve the investment objectives of each Fund and a loss of investment is possible.

Investment Strategy and Process

The Advisers typically invest a Fund's capital in a limited number of private equity and equity-related investments in middle-market service-based and related companies. The Advisers typically seek to acquire an enterprise with revenues of \$25 million to \$150 million as the initial platform company for a portfolio investment initiative. After acquiring a platform, the Advisers generally will seek to accelerate organic growth by adding complementary service offerings and geographic scope (including through add-on acquisitions) to enable the portfolio company to achieve scale, market positioning, improved profitability and market-reach objectives, and to position the company strategically for a successful exit.

The Advisers focus principally on growth companies within the services sector and generally target investments in the following segments, among others: (i) marketing services (e.g., sales promotion, direct response, interactive marketing, public relations, media services and event services); (ii) finance-related services (e.g., accounting-related, cost recovery, billing and financial services consulting); (iii) operational and infrastructure services (e.g., human capital management, staffing, operational consulting, distribution, logistics, technology consulting and related outsourced services); (iv) specialty services (e.g., corporate training, in-store retail services and government services); (v) specialty consumer services (e.g., consumer products marketers and consumer financial services); and (vi) franchising. The Advisers believe the services sector generally is highly fragmented and provides investment opportunities that have the potential to produce substantial capital appreciation. The Advisers also believe these segments can provide significant organic revenue growth opportunities. Further, opportunities typically exist to meaningfully enhance profit margins of service-based businesses given the economies of scale that can be achieved.

The principals participate in the Advisers' investment decisions. The Advisers' investment process consists of: (i) origination and evaluation; (ii) due diligence; (iii) customized transaction and capital structures; (iv) transaction execution; (v) active operations oversight; and (vi) investment realization.

The principals draw on their experience, as well as utilize their network of key relationships to cultivate deal flow in the small to middle-market.

Once a target is identified, the Advisers generally conduct on-site meetings with the company's management team and perform a detailed, preliminary review of the business. If the parties move forward, the Advisers conduct due diligence, including financial and accounting, legal, tax, industry, background, client, operations, technology, benefits and insurance due diligence, typically in stages to reduce transaction costs should an irresolvable issue arise during the process. The Advisers proceed to the closing of an investment only when satisfied with the due diligence review and evaluation.

In executing transactions, the Advisers work diligently to structure and finance a transaction to enhance value at realization. The Advisers refine customized transaction and capital structures that seek to align the interests of sellers and managers of acquired businesses with the interests of the Fund.

Post-acquisition, the Advisers work with a portfolio company's executive team to focus on the following objectives: (i) developing detailed strategic plans; (ii) delivering excellent client service; (iii) adding complementary services and expanding geographically; (iv) recruiting and retaining highly qualified professional and corporate personnel; (v) ensuring responsibility and accountability at various levels of operations; (vi) generating revenue growth and business development; (vii) identifying areas of potential cost savings; (viii) evaluating personnel against measurable criteria; (ix) promoting strategic growth through acquisitions, joint ventures and geographic market expansion; (x) securing flexible financing for operations and opportunities; (xi) directing formal budgeting; and (xii) structuring appropriate management incentive programs to promote long-term objectives.

The Advisers emphasize early identification of multiple prospective exit scenarios. The underlying characteristics of investments are monitored, while the Advisers partner with management to position the company for an appropriate exit opportunity. The Advisers believe their experience with various exit strategies, including strategic and financial sales, restructurings, management buyouts and public offerings, provides a solid base from which to evaluate and pursue multiple exit alternatives.

Risks of Investment

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. Although the following risk factors are generally applicable to each Fund, investors should also refer to a Fund's private placement memorandum for risk factors specific to that Fund. In general, the risks involved with the Advisers' investment strategy and an investment in each Fund include, but are not limited to those described below.

Business Risks. The Fund's investment portfolio consists primarily of securities issued by privately held companies, and operating results in a specified period are difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of the principals' prior investments, and the performance of the Fund to date, is not necessarily indicative of the Fund's future results. While the General Partner intends for the 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.

Investment in Junior Securities. The securities in which the Fund invests 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 the Fund's investment, once made.

Concentration of Investments. The Fund participates in a limited number of investments and may seek to make several investments in one industry or one industry segment, or within a short period of time. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or industry may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested, if enough sufficiently attractive investments are not identified. However, regardless of the extent to which the Commitments of the limited partners are invested (or drawn down to be invested), limited partners are required to bear annual Management Fees through the Fund during the Investment Period based on the entire amount of their Commitments and other expenses as set forth in the applicable Partnership Agreement.

Impact of Government Regulation. 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 Advisers 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 Management Company and its affiliates, the Funds and/or their 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 Funds.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as illiquid. 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. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold 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 the Fund (including the annual Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments. A Fund is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally

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

Restricted Nature of Investment Positions. Generally, there is no readily available market for Fund investments, and hence, most of the Fund's investments are difficult to value. Certain investments may be distributed in kind to the Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Fund is vested with the General Partner, and the Fund's future profitability depends largely upon the business and investment acumen of the principals. The loss or reduction of service of any key principal could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the principals may in the future manage other investment funds besides the existing Funds and the principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the principals. Limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund depends on the actions of the General Partner. Although the General Partner monitors the performance of each Fund investment, it is primarily the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. There can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

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

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the 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 recent downturn in the U.S. and global financial markets, may complicate or prevent the 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, the Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance the Fund will make follow-on investments, or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Risks Associated with Acquisition Strategy of the Portfolio Companies. An important part of the Fund's strategy is to form portfolio companies that will acquire additional established businesses within a given sector, with the goal of increasing revenues and the number of markets the portfolio company serves and the services it offers. There can be no assurance, however, that any portfolio company will be able to identify, consummate or economically integrate acquired companies without substantial delays, costs or other problems. In addition, once integrated, such businesses may not achieve sales and/or profitability commensurate with projections or that

otherwise justify the prices paid for such businesses. The acquisition strategies of the portfolio companies also may involve other risks, including adverse short-term effects on operating results, impairments of goodwill and other intangible assets and the diversion of managements' attention.

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

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

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

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or the Advisers generally will be specified, and in many cases strictly limited, by the Fund Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the Advisers' control. Decisions by the General Partner or its affiliates 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 interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor the Advisers and their performance. Additionally, it is anticipated that limited

partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and the Advisers reserve the right to withhold certain information from investors subject to such laws for reasons relating to the Advisers' public reputation, business strategy or other reasons.

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

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, viral or disease outbreaks or epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the 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 the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel

(including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to volatility in all financial markets. Among other things, these unprecedented developments have resulted in volatility in demand across most categories of consumers and businesses, volatility in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund’s and its portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio companies, and the Advisers may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder

such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. 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 the Fund and may affect the 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 the Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The 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 the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, 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 the Fund's ability to raise 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.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for the vast majority of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. Due to the inherent uncertainties of determining the fair value of investments that do not have a readily available market value, there can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such

investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company, Fund, Adviser or one or more of their respective service providers may be subject to substantial losses in the form of stolen, lost or corrupted (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Advisers, 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 Advisers', 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 the relevant 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 an Adviser or one of its service providers holding its financial or investor data, such Adviser, its affiliates or the Funds may also be at risk of loss.

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 countries have put in place 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 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.

Conflicts of Interest

The Management Company and its related entities engage in a broad range of advisory and non-advisory activities. The Advisers will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of an Adviser's conduct of its activities, the interests of a Fund likely will conflict with the interests of such Adviser, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, each Adviser will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

Although the active investment period for the Funds has ended, the principals and the Advisers' investment staff will continue to manage and monitor the Funds and their investments. Funds and investments that the principals expect from time to time to control or manage generally have the potential to compete with the other Funds or companies acquired by such Funds. Following a Fund's active investment period, the principals will continue to manage such Fund's investments, but also reserve the right to, in certain cases have already, and likely will continue to, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in Lake's sole discretion, Lake and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. In addition, the principals and the Advisers' investment staff expect from time to time to provide deal sourcing, consulting or similar services to investment advisers unaffiliated with the Management Company or the Funds and/or seek to identify investment opportunities for their own accounts, including 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 the foregoing. The Advisers do not believe these activities present a meaningful conflict of interest because the active investment period for the Funds has ended and such activities are reviewed to determine if they are likely to hinder the Advisers' ability to manage and monitor the Funds. Subject to any time and attention requirements in the governing documents of the Funds, Lake personnel are permitted to serve on boards or act in other roles unaffiliated with Lake, 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.

Certain investments that are suitable for both a Fund and any successor or predecessor Fund would be allocated in a manner as set forth in the applicable Partnership Agreements or

other applicable governing documents. Investments by more than one Fund in a portfolio company also have the potential to raise the risk of using assets of a Fund to support positions taken by other Funds. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, the Advisers will allocate fees and expenses in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering such factors as they deem relevant, but in any case in their sole discretion. In exercising such discretion, the Advisers expect to be faced with a variety of potential conflicts of interest.

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 Advisers or their affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses will not necessarily 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 receiving related benefits or proportionately in accordance with asset size or by relative value of benefits received.

Since the Advisers and their affiliates (or persons hired by them) are permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with the Funds' investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, the Advisers reserve the right to accrue, defer or forego payments of Supplemental Fees. In such cases, in accordance with the Fund Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

As a result of the Funds' controlling interests in portfolio companies, the Advisers typically have the right to appoint board members (including current or former Lake personnel or persons serving at their request) to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to the Advisers and/or their affiliates. The Advisers also reserve the right to employ, from time to time, personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Advisers and/or their affiliates. In addition, portfolio companies will potentially from time to time pay certain fees to third party consultants (including any consultants introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more Fund portfolio companies). Except to the extent any of the foregoing amounts are subject to the offset provisions of the applicable Partnership Agreement, they will not offset the Management Fee as described herein. Any of these situations subject the Advisers to potential conflicts of interest.

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

The Advisers generally exercise their discretion to recommend to a Fund or to a portfolio company thereof that it contract for products or services with certain service providers, and from time to time such service providers are expected to include: (i) an Adviser or a related person of such Adviser (which could potentially include a portfolio company of such Fund); (ii) an entity with which such Adviser or its affiliates or current or former members of their personnel has a relationship or from which such Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers; or (iii) certain limited partners or their affiliates. For example, each Adviser expects from time to time to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that an Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. An Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although each 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. Whether or not an Adviser has a relationship or receives financial or other benefit from recommending a particular product or service provider, there can be no assurance that no other product or service provider is more qualified to provide the applicable products or services or could provide such products or services at higher quality or lesser cost.

The Advisers and/or their affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Advisers and/or their affiliates; conversely, current or former personnel or executives of an Adviser and/or its affiliates will potentially from time to time serve in

significant management roles at portfolio companies or service providers recommended by such Adviser. Similarly, the Advisers and their affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisers, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Advisers and/or their affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors potentially will provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Lake entities) to Lake personnel and their estate planning vehicles. An Adviser expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide such Adviser information about markets and industries in which such Adviser operates (or is contemplating operations) or will provide other services that are beneficial to such Adviser or one or more Funds. Each Adviser expects to be subject to a potential conflict of interest in making such recommendations, in that such 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 a Fund or its portfolio companies.

Except to the extent prohibited by the governing documents of the applicable Funds, the Advisers and their 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 special purpose acquisition companies 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 Fund Documents and anti-“assignment” provisions of the Advisers Act, the Advisers and their personnel are also permitted to offer, restructure and monetize interests in Lake.

Because the Adviser's carried interest is based on a percentage of net realized profits, it has the potential to create an incentive for the Adviser to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Adviser may not otherwise have done so.

An Adviser and/or its affiliates reserves the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Except where required by the Fund Documents, other investors will not receive copies of Side Letters or related provisions,

and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Any of these situations subjects an Adviser and/or its affiliates to potential conflicts of interest. The Advisers believe 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 each Fund's limited partners, although the principals have economic interests in such other Funds and investments as well and are likely to receive management fees and carried interests relating to these interests. Each Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by such Adviser's advisory affiliates to investors in investment vehicles managed by them in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, each Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. When the Adviser deems appropriate or as required by the applicable Partnership Agreement, such Adviser consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

DISCIPLINARY INFORMATION

The Management Company and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Management Company is affiliated with General Partner I, General Partner II and Lake LLC, each of which is subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance.

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

The Advisers have adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of the principals and other investment professionals and employees and addresses conflicts that arise from personal trading. The Code requires Lake personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of an initial public offering or limited offering; and

- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to Lake's Chief Compliance Officer at (312) 640-7050. The Code requires personal securities transactions to be conducted in a manner that prioritizes the Funds' (and any other client's) interests.

The Advisers and their affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers.

Accordingly, if the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers generally would be prohibited from communicating such information to the Funds (or any other clients), and the Advisers will have no responsibility or liability for failing to disclose such information to the Funds (or any other clients) as a result of following the Advisers' policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Certain principals and other employees of the Management Company and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as the Funds, subject to any limitations set forth in the applicable Partnership Agreements. General Partner I committed \$15 million to Fund I and General Partner II committed \$15 million to Fund II.

The Advisers and their affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar.

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers reserve the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, including when a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they would expect to follow the brokerage practices described below.

If an Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of eligible brokers’ transaction fees and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, the Advisers may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Management Company generally does not make use of such services at the current time and has not made use of such services since its inception. As a general matter, any such research would likely be shared between the Advisers and their affiliates and used to service one or more of the Funds regardless of which Fund paid the brokerage commission being applied toward payment for such research services. There is no agreement or formula for the allocation of brokerage business on the basis of research services.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Advisers also reserve the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Advisers expect, but are not obligated, to purchase or sell securities for several Funds at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund is favored over any other Fund. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Advisers closely monitor companies in which the Funds invest. The Limited Partner Committee members of the respective General Partner, bear the primary responsibility for confirming that each Adviser manages a Fund in accordance with the Fund’s

investment objectives and guidelines. Lake's Chief Compliance Officer periodically will check to confirm that each Fund is being managed in accordance with its stated objectives.

Each Fund generally provides to its limited partners: (i) annual GAAP audited and quarterly unaudited financial statements and (ii) annual tax information necessary for each limited partner's tax return.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisers and their affiliates reserve the right to enter into placement agreements or solicitation arrangements pursuant to which the Advisers compensate third parties for referrals that result in a potential investor becoming a limited partner in a Fund. The Advisers do not currently have any such agreements or arrangements, but they would expect that any fees and expenses payable to any such placement agents would generally be borne by the Advisers directly or indirectly through an offset against the applicable Fund's Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund.

The Management Company and/or its affiliates expect to provide certain business or consulting services to a Fund's portfolio companies and expect to receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreement, this compensation will, in certain cases, offset a portion of the Management Fees paid by such Fund.

CUSTODY

The Advisers generally expect that they will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) of assets held in each Fund's name, and intends to maintain such assets with Silicon Valley Bank and The Northern Trust Company, each a qualified custodian.

INVESTMENT DISCRETION

Pursuant to the terms of the applicable Partnership Agreement, Management Agreement and other applicable governing documents, the Management Company has discretion to manage investments on behalf of the Funds; provided that all decisions, consents and other determinations (including, without limitation, decisions, consents and other determinations with respect to a Fund relating to the acquisition and disposition of the Fund's investments, distributions by the Fund of cash and securities and amendments to the respective Partnership Agreement) are made by the General Partner. As a general policy, the Advisers do not allow clients to place limitations on this discretionary authority. Pursuant to the terms of the Partnership Agreements, however, the General Partners and/or their affiliates have entered into Side Letters with certain limited partners whereby the terms applicable to such limited partner's Fund investment were altered or varied, potentially including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons.

VOTING CLIENT SECURITIES

The Advisers have adopted the Lake Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how they will vote proxies, as applicable, for each Fund’s portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Funds’ investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of the Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards by Lake personnel or the Advisers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Funds. Current and prospective investors who would like a copy of the Advisers’ complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies should contact Lake’s Chief Compliance Officer at (312) 640-7050, and such information will be provided at no charge.

FINANCIAL INFORMATION

The Management Company does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.