

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

**WINDJAMMER MANAGEMENT PARTNERS, L.P.**

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**March 30, 2022**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Windjammer Management Partners, L.P. (“Windjammer Management”). If you have any questions about the contents of this Brochure, please contact us at (949) 721-9944. 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.**

Windjammer Management 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 Windjammer Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Windjammer Management filed its most recent Form ADV Part 2A on January 4, 2022. This annual amendment updates the description of the business practices of Windjammer Management and its affiliates.

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## ADVISORY BUSINESS

Windjammer Capital Investors is a private investment management firm, including several investment advisory entities and other organizations affiliated with Windjammer Management (collectively, “**Windjammer Capital Investors**”), that manages private fund assets. Windjammer Capital Investors commenced operations in October 1990.

Windjammer Management, a Delaware limited partnership and a registered investment adviser, together with its affiliated investment advisers, provides investment advisory services to investment funds privately offered in the United States and elsewhere. Windjammer Management commenced operations in November 2011.

Windjammer Management’s clients include the following (each, together with related feeder, co-investment or parallel investment vehicles, a “**Fund**,” and, collectively, together with any future private investment funds to which Windjammer Management and/or its affiliates provide investment advisory services, the “**Funds**”):

- Windjammer Mezzanine & Equity Fund II, L.P. (“**Fund II**”);
- Windjammer Senior Equity Fund IV, L.P. and Windjammer Senior Equity Fund IV Feeder, L.P. (together, “**Fund IV**”);
- Windjammer Senior Equity Fund V, L.P. and Windjammer Senior Equity Fund V Feeder, L.P. (together, “**Fund V**”); and
- Windjammer VRC Investors, L.P. (“**VRC Investors**”).

The following are the general partner entities affiliated with Windjammer Management:

- Windjammer Capital Partners, LLC (“**WCP**”);
- Windjammer Capital Investors, LLC (“**WCI**”);
- Windjammer Capital Investors IV, L.P. (“**WCI IV**”);
- Windjammer Capital Investors V, L.P. (“**WCI V**”); and
- Windjammer VRC Investors GP, L.P. (“**VRC GP**,” and together with WCP, WCI, WCI IV and WCI V, each, a “**General Partner**”, collectively, the “**General Partners**,” and the General Partners, together with Windjammer Management, the “**Advisers**”).

Each other General Partner is subject to the Advisers Act pursuant to and in reliance upon Windjammer Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the Advisers, which collectively operate as a single advisory business.

In their respective capacities as the management company or General Partner, as applicable, of the relevant Fund, the Advisers have the authority to manage the business and affairs

of such Fund. The Funds are private equity funds and invest primarily through negotiated transactions in operating entities generally referred to herein as “**portfolio companies.**” The Advisers’ investment advisory services to their respective Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. The senior principals or other personnel of Windjammer Management or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise influence the management of portfolio companies held by a Fund.

The Advisers’ advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements, limited partnership agreements or other operating agreements of the Funds (each, a “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In performing investment advisory services for the Funds, the General Partners have retained Windjammer Management to provide advisory personnel and services. Investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable 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; such arrangements generally do not and will not create an adviser-client relationship between the Advisers and any investor. The Funds and the General Partners generally enter into “side letters” or other similar arrangements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other material rights) under, or altering or supplementing the terms of, the respective Funds’ Governing Documents with respect to such investors.

Additionally, from time to time, and as permitted by the relevant Governing Documents, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain investors or other persons, including other sponsors, market participants, finders, Strategic Consultants (as defined below), other consultants and other service providers, the Advisers’ principals, personnel and/or certain other persons associated with the Advisers and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment, subject to certain exceptions set forth in the relevant Governing Documents of such Fund. However, from time to time, for strategic and/or other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor (or co-invest vehicle) generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in the Advisers’ sole discretion, the Advisers reserve the right to charge interest and/or fees on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions) to compensate the relevant Fund for the holding period, and to seek reimbursement to the relevant Fund for related costs.

As of December 31, 2021 Windjammer Management and its affiliates managed approximately \$2,356,918,278 in client assets on a discretionary basis. Windjammer Management is principally owned and managed by Costa Littas, Gregory Bondick and Jeffrey Mieke through WCP. Messrs. Littas, Bondick and Mieke also serve on the management committee that oversees WCI V and VRC GP. Robert Bartholomew and Costa Littas serve on the management committee that oversees WCI and WCI IV.

## **FEES AND COMPENSATION**

In general, the Advisers receive a management fee and/or performance-based carried interest in connection with the provision of advisory services. Windjammer Management or other Windjammer Capital Investors entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation, other than most director fees, generally will offset in whole or in part the management fees otherwise payable to the relevant Adviser to the extent provided by the Governing Documents. Investors in the Funds also bear certain fund expenses.

### **Management Fees**

Fund V pays Windjammer Management, quarterly in advance, a management Fee (the “**Management Fee**”) equal to 2.0% per annum of aggregate investor capital commitments (“**Commitments**”). Investors participating in a closing after Fund V’s initial closing paid the Management Fee retroactive to the effective date, and may pay interest as set forth in the Partnership Agreement. Commencing with the first Management Fee due date after the expiration of the Fund V’s investment period or earlier upon the occurrence of certain events as set forth in the Partnership Agreement, the Management Fee will be calculated semi-annually and payable quarterly in advance and will equal 2.0% of (a) the aggregate investment contributions, as reduced by (b) investments that have been disposed of or completely written off, in each case with respect to partners not designated as “affiliated partners” by WCI V. Following the eleventh anniversary of the final closing date and ending upon the financial distribution of Fund V’s assets, the Management Fee will be an amount negotiated in good faith by WCI V and the Advisory Board (as defined below) during the calendar quarter immediately preceding the commencement of such period or, if WCI V and the Advisory Board are unable to reach an agreement, an amount calculated in accordance with the immediately preceding sentence.

Fund IV pays Windjammer Management, quarterly in advance, a Management Fee. Investors participating in a closing after Fund IV’s effective date paid the Management Fee retroactive to the effective date. In accordance with Fund IV’s Partnership Agreement, following the occurrence of certain events specified in the Partnership Agreement, the Management Fee was reduced to 1.5% per annum, calculated semi-annually of (a) the aggregate funded Commitments with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless. Further, upon the date on which (i) receipt or accrual of management fees with respect to Fund V began, and (ii) committed capital of Fund V equaled at least 75% of the aggregate Fund IV investor Commitments, the Management Fee was reduced to 1.0% per annum, calculated semi-annually, of (a) the aggregate funded Commitments with respect to investments held by Fund IV on the calculation date, as reduced by (b) investments that have been written off as worthless. The Management Fee will be payable until the final distribution of

Fund IV's assets. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

Fund II paid Windjammer Management, quarterly in advance, a Management Fee originally equal to 1.625% per annum of aggregate Fund II investor Commitments, but in accordance with the Fund II Partnership Agreement, the Management Fee was reduced to 1.0% per annum, calculated semi-annually, of (a) the cost basis of investments held by Fund II on the calculation date, as reduced by (b) investments that have been written off as worthless. Prior to December 31, 2014, the Management Fee amount was not less than \$200,000 in any year. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period. Subsequent to December 31, 2014, Fund II did not pay a Management Fee to Windjammer Management.

VRC Investors does not pay a management fee.

Where the Governing Documents calculate Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

Subject to variations in the Partnership Agreement, each Fund's Management Fee will be reduced in part by an offsetting credit for "Portfolio Company Fees" (as defined below) attributable to partners not designated as "affiliated partners" paid by portfolio companies of the relevant Fund to Windjammer Management or the relevant General Partner, after reimbursement of "Broken Deal Expenses" (as defined below) to Windjammer Management or the relevant General Partner. "**Portfolio Company Fees**" are any fees, commissions and other compensation, including transactional consulting and/or advisory compensation, monitoring compensation, break-up fees with respect to transactions not completed but excluding Strategic Consultants' compensation and expenses (as defined below), directors' fees (whether in cash, securities or otherwise, as described below) and certain amounts received by the General Partners as set forth in the Partnership Agreements, paid by a portfolio company or a potential portfolio company to Windjammer Management and/or the relevant General Partner, as applicable, net of expenses relating thereto. "**Broken Deal Expenses**" are any out-of-pocket costs and expenses incurred by Windjammer Management, the relevant General Partner or an affiliate of any of the foregoing, as applicable, related to the investment activities of such Fund in developing, negotiating and structuring prospective or potential investments that are not ultimately made, including, without limitation, any reasonable legal, accounting, advisory, consulting and third-party financing costs in connection therewith. To the extent that an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for application against future Management Fees, and if a credit remains upon liquidation, a payment will be made crediting partners (including the General Partner) unless a partner has elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result). Similarly, unless otherwise agreed with Limited Partners, Portfolio Company Fees generally will be payable, even if Management Fees are reduced or eliminated, including during an extended Fund term. Subject to the Partnership Agreements, Windjammer Management or another Windjammer Capital Investors entity will be

permitted to receive, without offset against the Management Fee, all or a portion of reasonable and customary directors' fees received from any portfolio company (such fees, "**Supplemental Fees**"). Supplemental Fees earned are governed by the relevant Partnership Agreement and/or Side Letter(s) and generally are reported annually to the relevant Fund advisory board (the "**Advisory Board**") and disclosed in the aggregate in the annual audited financial statements of each Fund. Similarly, Windjammer Management will not offset compensation received from outside sources, such as residual employee board seats that are no longer Fund portfolio companies.

As a matter of practice, Windjammer Management or the relevant General Partner is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors (including limited partners, third-party co-investors, portfolio company management or employees or other third-party investors) in an investment or potential investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to its allocable portion on a fully diluted basis of any such fee and not the portion of any fee that relates to any other person that holds an economic interest in (or, in the case of an unconsummated transaction, would have held an economic interest in) the applicable investment or potential investment, and the amount of such fees retained by Windjammer Management or the relevant General Partner has the potential to be significant. In certain circumstances, Windjammer Capital Investors expects that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons.

### **Carried Interest**

The relevant Fund's General Partner will receive a carried interest with respect to such Fund of up to 20% of all realized profit, subject to Fund limited partners having received an 8% preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to each General Partner may be subject to a potential giveback at periodic dates during the relevant Fund's term and at the end of the life of the relevant Fund if such General Partner has received excess cumulative distributions. It is expected that any future Funds will have a similar compensation structure.

### **Other Information**

The Advisers are permitted to exempt certain investors in the Funds (e.g., "affiliated partners") from payment of all or a portion of Management Fees and/or carried interest, including the Advisers and any other person designated by the Advisers, such as "friends and family" of the Advisers or its personnel, or other investors meeting certain qualification requirements based on commitment size and/or the timing of an investor's commitment. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by the Advisers and/or their affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Windjammer Management professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents or as may be approved by the relevant Advisory

Board, the Advisers have the right to permit their principals, personnel and certain other persons, affiliated with an Adviser or otherwise, to make direct co-investments or invest through the relevant General Partner or other vehicles (including co-investment vehicles or other structures) alongside one or more Funds in certain portfolio investments made by the Funds. Such investments do not bear Management Fees and/or carried interest. The Advisers retain flexibility to structure their compensation from investors and expect in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

The Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in any Fund.

Principals or other employees of Windjammer Management and/or Windjammer Capital Investors generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, Supplemental Fees, carried interest or other compensation received by Windjammer Management or its affiliates.

In addition to the Management Fee and carried interest payable to Windjammer Management and its affiliates, the Funds bear certain expenses. As set forth more fully in the Governing Documents, each Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals 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, including break-up or topping fees; (ii) indebtedness of, or guarantees made by, the Fund, its General Partner or any "affiliated partner" on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy-side and sell-side fees and other deal sourcing payments); (v) brokerage, sale, custodial, depository (including a depository appointed pursuant to AIFMD or any similar law, rule or regulation), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) and the implementation thereof), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including administration or reporting

software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to Strategic Consultants (as defined below), consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer (including limited partner transfer expenses, to the extent not borne by the relevant limited partners), registration and other similar fees and expenses; (x) printing and communications; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings, compliance or reports contemplated by AIFMD or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) licensing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the its limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the Governing Documents, or otherwise approved by the relevant General Partner in its reasonable discretion, activities or proceedings of the Fund's Advisory Board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the Fund's General Partner, Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Fund's Advisory Board); (xv) indemnification (including any 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; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the Fund's limited partners and any other conference or meeting with any limited partner(s), and meetings or other events for portfolio companies, their executives and/or their personnel; (xviii) except as otherwise determined by the Fund's 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, and 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; (xix) the termination, liquidation, winding up or dissolution of the Fund; (xx) defaults by partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, its General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxii) complying with any law or regulation related to the activities of the Fund (including any third-party service provider, administrator or other expenses incurred in connection with Cayman Islands anti-money laundering law compliance, and other regulatory expenses of the General

Partner incurred in connection with the operation of the Fund and legal fees and expenses); (xxiii) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxiv) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making or holding an investment in the same entity as one or more other funds or other entities sponsored by the General Partner or its affiliates; (xxv) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Governing Documents); (xxvi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxvii) unreimbursed expenses and unpaid fees of the Strategic Consultants or persons engaged by the Strategic Consultants; (xxviii) compliance or regulatory matters related to the Fund, except as set forth in the Governing Documents; (xxix) any mementos, travel (including costs of a car or other transportation services), lodging, closing dinners, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxx) all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xxxi) advance payments of estimated expense amounts, (xxxii) any organizational expenses (including costs of collecting, validating or verifying limited partner payments or wire information); and (xxxiii) any placement fees. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Windjammer Capital Investors and/or its affiliates; 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 the level at which such expenses are charged or incurred. No Fund will bear Windjammer Capital Investors' expenses in connection with maintaining and operating Windjammer Capital Investors' offices (such as compensation of employees, rent, utilities or general office expenses). 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 (including Portfolio Company 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. 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 effects 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 Advisers and their personnel. Windjammer Capital Investors reserves the right to agree with Strategic Consultants, 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. 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 and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. 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 is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Windjammer Management's related policies and practices and the Governing Document(s) and/or Side Letter(s). Where a co-investment vehicle is formed, such entity will generally 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, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in or committed to a co-investment or other vehicle in connection with such transaction, such co-investor or vehicle is expected to bear its share of such Broken Deal Expenses. The Advisers' practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below. 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.

The Advisers and/or their affiliates generally have discretion over whether to charge transaction fees, monitoring fees, board of directors fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Advisers and/or their affiliates on the other hand.

### **Strategic Consultants**

Additionally, as described more fully in the Governing Documents of each Fund, certain consulting firms and/or individual consultants "**Strategic Consultants**" (as set forth more fully under "**Conflicts of Interest**" below) provide transaction-specific and post-transaction operational

consultative services to (or with respect to) the Funds, and current or prospective portfolio companies in which one or more Funds may invest. Such Strategic Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies, including as board members. In connection with such services, such Strategic Consultants generally receive cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, carried interest, guaranteed minimums and other compensation from such portfolio companies, the Funds and/or the Advisers, as well as the opportunity for Strategic Consultants or their affiliates to make fee and carry-paying or fee and carry-free minority equity investments and/or receive a profits or participation interest, incentive equity or other stock awards in one or more portfolio companies or holding companies, the Funds and/or General Partners. Strategic Consultants generally provide certain services to one or more Funds pursuant to a contract, and any other services provided to a portfolio company that are not specified in such contract (*e.g.*, service on a board or executive management services) generally will be borne directly by the applicable portfolio company and will be in addition to payments under such contract made by the relevant Funds. Strategic Consultant compensation typically is determined according to one or more methods, including the value of the anticipated time (including an allocation for overhead and other fixed costs) of such Strategic Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Strategic Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on a Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation. The relevant Fund and/or its portfolio companies typically will bear the costs of all Strategic Consultant compensation as well as fees, costs and expenses of structuring Strategic Consultant payments. Such compensation and expense reimbursements (including travel, meal and other expenses) generally will not reduce or offset Management Fees payable to Windjammer Management by the relevant Fund(s). Such amounts are not otherwise covered by the Management Fees. The use of Strategic Consultants subjects the Advisers to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," Windjammer Management or its affiliates generally receive a carried interest allocation on certain realized profits in the relevant Fund. Windjammer Management or its affiliates may also advise certain Funds formed as co-investment vehicles that are not subject to, or are subject to a different, carried interest and/or Management Fee. This practice could present a conflict of interest because Windjammer Management or such affiliate has an incentive to favor accounts for which it receives the highest performance-based compensation. Windjammer Management or such affiliate seeks to address the potential for conflicts of interest in this area by investing on behalf of such entities in accordance with its Investment Allocations/Co-Investment Policy that provides 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.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the General Partners generally consider performance-based compensation to better align their interests with those of their investors. Additionally, to the extent that the Advisers have Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or the Advisers' personnel are assigned varying percentages of carried interest from the Funds, the Advisers and such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. While all investments generally are made sequentially across Funds, in the event an investment could be made by more than one Fund, the Adviser may be subject to conflicts of interest in allocating such investment. Except as required by the relevant Governing Documents, the Advisers are not obligated to recommend any investment to any particular investment vehicle. The Advisers seek to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds' investment guidelines and governing agreements, as well as other factors that do not include the amount of performance-based compensation received by the Advisers or any personnel.

## **TYPES OF CLIENTS**

Windjammer Capital Investors 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 U.S. 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 and from time to time include, directly or indirectly, principals or other employees of Windjammer Management and its affiliates and members of their families, Strategic Consultants and/or other service providers retained by Windjammer Management, as well as executives of portfolio companies.

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 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 Governing Documents of the related Fund.

The Funds generally have a minimum investment amount of \$20 million for third-party investors, and Fund interests are offered and sold generally to third-party clients that are (i) qualified investors and (ii) unless waived in the discretion of the General Partner, qualified purchasers (or qualified knowledgeable Windjammer Capital Investors personnel). The relevant General Partner is generally permitted to waive such minimum investment amount.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### General

The description of Windjammer Capital Investors' investment activities contained herein is general in nature and is subject in its entirety to the description of Windjammer Capital Investors' (or its affiliate's) investment activities with respect to the relevant Fund as set forth in such Fund's Governing Documents, which may in certain cases differ from or be more detailed than the description herein.

Windjammer Capital Investors is a private investment firm that invests in middle-market companies and supports management in their initiatives to grow earnings and build shareholder value. Windjammer Capital Investors has the capability to invest in various layers of such companies' capital structure, including control and non-control private equity and subordinated debt financings.

Windjammer Capital Investors typically seeks control investments, though in some cases it may make non-control investments in companies meeting its investment criteria, and may provide subordinated debt to companies in certain scenarios. Windjammer Capital Investors remains committed to the middle market (defined as companies generating earnings before interest, taxes, depreciation and amortization of approximately \$10 million to \$50 million).

Once a company is part of Windjammer Capital Investors' investment portfolio, the firm deploys significant internal resources, including the firm's senior investment and operating professionals, as well as established consulting relationships (including Strategic Consultants), to assist management in seeking to optimize the company's revenue potential, profitability and strategic value.

Windjammer Capital Investors thoroughly evaluates and analyzes potential exit opportunities before making an investment and updates its analysis throughout the investment holding period. When Windjammer Capital Investors deems it to be in the best interests of the relevant Fund, it causes such Fund to exit a given investment, generally through a sale to a strategic or financial buyer, though in certain cases it may cause a Fund to exit a given investment through an initial public offering.

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

### Investment and Operating Strategy

*Disciplined, Quality-Focused Investment Strategy.* Windjammer Capital Investors is committed to investing in leading, niche middle-market businesses with differentiated and difficult-to-replicate operating attributes. Each Fund generally pursues investments in middle-market companies that meet a majority of the following investment criteria: (i) significant participant in a niche market that has strong barriers to entry; (ii) industry growth at least as fast as, or faster than, the gross domestic product; (iii) manufacturers of a mission critical, proprietary product or service that offers high value-to-cost benefits; (iv) strong management team with demonstrated track record of success; (v) relatively predictable cash flows; (vi) strong and resilient

market positions with potential value creation pockets; and (vii) historically generated benchmark return on net assets. Windjammer Capital Investors applies quality standards in deal generation and due diligence, across varying capital market cycles, deploying capital only when it is convinced that an opportunity meets its well-defined investment criteria.

*Engaged, Value-Add Investment Platform.* Post-closing, Windjammer Capital Investors is an active, hands-on investor that works closely with portfolio company management to develop and execute a set of customized “Performance Enhancement Initiatives” that are captured in a series of timeline objectives - 100-day plan and subsequent annual goals that build on prior year’s performance. These customized initiatives typically are focused on: (i) driving sales growth through organic initiatives, such as market share expansion, new product introductions, and greater focus on underpenetrated domestic and international markets, as well as targeted strategic acquisitions; (ii) implementing operational initiatives to improve customer service, order fulfillment, cost structure and manufacturing efficiencies; and (iii) strengthening core business practices/protocols, management teams, and governance boards.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that Windjammer Capital Investors’ investment strategy entails. The risks involved with Windjammer Capital Investors’ investment strategy and an investment in a Fund include, but are not limited to:

*Business Risks.* Each 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.

*Future and Past Performance.* The performance of the principals’ prior investments is not necessarily indicative of a Fund’s future results. While the General Partners intend for the Funds 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 a Fund may 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.

*Concentration of Investments.* A Fund may participate 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, such Fund’s investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. Windjammer Management will be competing with other private investment funds, business development companies, direct investment funds, individual and institutional investors and

merchant banks, and Windjammer Management may be unable to identify a sufficient number of attractive investment opportunities for a Fund. Identification of attractive market opportunities also generally will be subject to market conditions. Therefore, it is possible that a 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 will be required to bear annual Management Fees, through such Fund generally during the investment period, based on the entire amount of their commitments and other expenses as set forth in the Governing Documents.

*Dynamic Investment Strategy.* While the General Partners generally intend to seek attractive returns for the Funds primarily through making control-oriented equity and subordinated debt investments as described herein, a General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partners are permitted to pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

*Illiquidity; Lack of Current Distributions.* An investment in a 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 a Fund (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

*Operating Risks of Portfolio Companies.* Although each Fund plans to invest in high quality companies, there is still a risk that its portfolio companies could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, a change in business or industry conditions or an economic downturn. As a result, portfolio companies expected by a Fund to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

*Distressed Investments.* A portion of a Fund's investments may involve turnaround or under-performing companies or companies in need of additional capital. While the Funds do not typically invest in companies that are significantly distressed at the time of investment, following a Fund's investment in a portfolio company, such portfolio company may experience significant financial difficulties and material operating issues, including covenant or payment defaults or becoming involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments that are distressed involve a substantial degree of risk including credit and business risk, which is generally higher than the risk involved in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that Windjammer Management will correctly evaluate the value of the assets of a distressed company securing its

debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become distressed, including being involved in bankruptcy proceedings, or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

*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 a 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 changes in the tax laws and other 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 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 may 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. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the relevant Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of its interest in a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. A Fund 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 such Fund would be compensated for providing such guarantee or exposure to such liability. A Fund is permitted to incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partners or any of their affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead 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 additional partnership expenses that will be borne by investors. These expenses can 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 maintaining, renegotiating or terminating the facility. The use of leverage by a Fund to make investments and/or to pay expenses also will result in interest expense and other costs to the Fund that may not be covered by Fund distributions or appreciation of Fund investments. Payment of Fund expenses through capital calls rather than borrowings would not require the Fund to pay interest on such amounts. Because a subscription line's interest rate is 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 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, that 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 Advisers 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.

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

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to a Fund's 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 a Fund's 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 Governing Documents, including the value used to determine the amount of carried interest available to the General Partners with respect to such investment.

*Reliance on the General Partners and Portfolio Company Management.* Certain Funds may have no operating history and may be dependent on the General Partners. Control over the operation of the Funds will be vested with the General Partners, and the Funds' future profitability will depend largely upon the business and investment acumen of the principals. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals currently, and may in the future, manage other investment funds besides the 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. The Funds' limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the General Partners. In addition, certain changes in the General Partners or circumstances relating to the General Partners may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the General Partners will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with each Fund's objectives. In addition, while the Funds generally invest in businesses that have operating history, from time to time a Fund may invest in businesses with little or no operating history.

*Conflicting Investor Interests.* The Funds' limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partners regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partners generally will consider the investment and tax objectives of the relevant Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on 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 prior downturn and/or volatility in the U.S. and global financial markets, 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, which could negatively impact investment performance.

Additionally, Congress and the state governments in the states in which Windjammer operates have considered proposed legislation that would increase the effective tax imposed on allocations of Fund income to the General Partner or its partners, including by treating certain income allocations to service providers by partnerships such as the Funds (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 or by directly imposing a higher rate of tax on certain fund manager income (including carried interest). 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 such Fund, Windjammer Management or the General Partners who were or may in the future be granted direct or indirect interests in the General Partners to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from a Fund and its 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 the 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.

In addition, 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 Windjammer Capital Investors 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

Windjammer Capital Investors 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.

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

*Non-U.S. Investments.* While the Funds typically do not make significant investments outside of the U.S., a Fund may invest a portion of its committed capital in non-U.S. investments. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. and domestic taxes on a Fund and/or its partners with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or its partners.

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

*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 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.* While the Funds typically do not utilize hedging techniques, a Fund may employ such techniques through the purchase of swaps, derivatives and other similar instruments in order to reduce the risk of adverse movements in currency exchange rates and securities prices in connection with its investments. 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 Partners and/or one of their 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.

*Significant Adverse Consequences for Default.* The Governing Documents provide for significant adverse consequences in the event a Fund's limited partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the relevant Fund, a defaulting limited partner may be forced to transfer its interest in such Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

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

*Public Company Holdings.* A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks

include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

*Nature of Investment in Subordinated Debt Instruments.* The debt securities in which a Fund is permitted to invest may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. The ability of a Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors unless a Fund has a corresponding equity interest. For example, under typical subordination terms, secured creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights or remedies they may have as creditors for a period of time. In addition, these securities may not be protected by financial covenants or limitations upon early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. In addition, the unsecured debt could have limited liquidity and may not be rated by a credit rating agency. Further, upon any distribution to an issuer's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such issuer's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made with respect to a Fund's subordinated debt investments. An issuer may not have sufficient funds to pay all of its creditors and the relevant Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated.

Furthermore, a Fund may provide commitments and capital for interim financing such as bridge loans, which will, in most cases, be made in highly leveraged transactions. In addition to the risk and uncertainties associated with any debt investment, a bridge loan may not be repaid or refinanced as scheduled, and the bridge loan may become part of the permanent capital structure of the borrower. Accordingly, there can be no assurance that the Funds will attain any targeted returns.

*Fixed-Income Securities.* A Fund may invest in subordinated debt or other fixed-income securities of United States and non-United States issuers. Fixed-income securities pay fixed, variable, or floating rates of interest. The value of fixed-income securities in which a Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

*Non-controlling Investments.* A Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings

in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Director Liability.* The Funds 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. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. While portfolio companies generally seek to obtain insurance coverage with respect to such liability, not all portfolio companies may obtain, or may be able to 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 Funds' investment activities.

*Limitation of Recourse and Indemnification.* The Governing Documents will limit the circumstances under which the General Partners and their affiliates will be held liable to the relevant Fund. As a result, a Fund's limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Governing Documents generally provide that the Funds will indemnify the General Partners and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds. Such indemnification obligations could materially impact the returns to a Fund's limited partners.

*Litigation.* In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partners' 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.

*Advisory Board.* The General Partners will appoint one or more of a Fund's limited partner representatives to the Advisory Board. The Governing Documents generally provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the relevant Fund or any other partner. In addition, representatives of the Advisory Board may have various business and other relationships with Windjammer and its partners, employees and affiliates (including co-investment relationships). These relationships may influence their decisions as members of the Advisory Board.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of

political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

*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 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 (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 the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

*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 Governing 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 Advisers and their 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 Windjammer Capital Investors, its affiliates 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 Windjammer Capital Investors and its affiliates reserve the right to withhold certain information from investors subject to such laws for reasons relating to their public reputation, business strategy or other reasons.

*Material, Non-Public Information.* As a result of the operations of Windjammer Capital Investors and its affiliates, as well as in connection with officerships or directorships of their personnel, Windjammer Capital Investors frequently comes into possession of confidential or material, non-public information. Therefore, Windjammer Capital Investors and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or a Fund's internal policies and practices. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Unfunded Pension Liabilities of Portfolio Companies.* Recent 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 the Funds intend to manage their 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 such 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 such Fund and the companies in which the Fund invests. ERISA control group liability may change in the future as the case law and guidance develops.

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

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, a Fund and its General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and

financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the relevant Fund(s) and, ultimately, its investors.

*Loans in Lieu of Distributions.* Pursuant to the Governing Documents, certain distributions to the General Partners may be deferred to the extent the amount distributable exceeds a General Partner's tax basis in the relevant Fund. In such case, the deferred distribution amount may be loaned by such Fund to its General Partner. Any interest accruing with respect to such a loan will be allocated and distributed solely to such Fund's General Partner.

*U.S. Taxation of Carried Interest.* U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of individuals associated with the Funds, Windjammer Management, or the General Partners who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for the Funds. This could also create an incentive for the principals to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

*U.S. Federal Income Tax Liability Resulting from IRS Audits.* U.S. federal income taxes arising from a U.S. Internal Revenue Service ("IRS") audit will be paid by the Funds absent an election to the contrary. In addition, a "partnership representative" will have the power to act on behalf of certain Funds and their partners in all IRS audits and other proceedings involving such Funds' U.S. federal income, loss, deductions, and credits.

*Tax Liability Considerations.* The Funds 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 a taxing authority, a Fund's limited partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority's review of a Fund may result in a review of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by the Funds and affect items not related to a limited partner's investment in a Fund. If such adjustments result in an increase in tax liability for any year, the relevant Fund or one or more of the limited partners may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority's review of a Fund's tax returns will be borne by such Fund. The cost of any review of a limited partner's tax return will be borne solely by the limited partner. The taxation of partnerships and partners is complex. Prospective limited partners are strongly urged to review the disclosure included in the relevant Governing Documents and to consult their own tax advisors.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, General Partner, Windjammer Management 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: (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, Windjammer Management, 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 Windjammer Management'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 in some cases has the potential to heighten 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 Windjammer Capital Investors or one of its service providers holding its financial or investor data, Windjammer Capital Investors, its affiliates or the Funds may also be at risk of loss.

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/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 Advisers, 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 Advisers, 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 Advisers, the Funds and/or their portfolio companies.

*Coronavirus and Public Health Emergencies.* 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 a novel and highly contagious form of coronavirus (“COVID-19”), have and are resulting in market 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 Funds.

The COVID-19 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, increases in unemployment levels in the United States and several other countries, 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 any resulting decline in economic and commercial activity — 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 and economies are able to “re-open,” 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 Funds. The extent of the impact on the Funds’ and their 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 Funds to source, diligence and execute new investments and 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 Funds intend to pursue, all of which could adversely affect the Funds’ ability to fulfill their 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 Funds, their portfolio companies, the General Partners and Windjammer Management 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.

**Russia-Ukraine Conflict.** There is currently an ongoing military conflict between Russia and the 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.

## Conflicts of Interest

Windjammer Management and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, accounting, management and other services to Funds and portfolio companies. Windjammer Management 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 Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Fund likely will conflict with the interests of the Advisers, 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, Windjammer Management 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 Boards of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Windjammer Capital Investors' principals through such Fund, subject to certain limited exceptions. Without limitation, Windjammer Capital Investors' principals currently manage, and expect in the future to manage, several other investments and Funds similar to those in which any such Fund has invested or will be investing and expect to direct certain relevant investment opportunities or resources to those investments. Windjammer Capital Investors' personnel reserve the right to manage their own personal investments, whether or not through a 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. Windjammer Capital Investors' principals and investment staff will continue to manage and monitor such investments until their realization; however they are expected to spend a significant portion of their time on matters not specifically related to a particular Fund, including matters related to other existing Funds and future Funds. Such other investments Windjammer Capital Investors' principals expect from time to time to control generally have the potential to compete with companies acquired by a Fund. To the extent an investment opportunity is received that is unsuitable for a Fund, in Windjammer Capital Investors' sole discretion, Windjammer Capital Investors and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Windjammer Capital Investors' personnel are permitted to serve on boards or act in other roles unaffiliated with Windjammer Capital Investors, the Funds or their portfolio companies, including boards and charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

The Funds typically invest sequentially and, therefore, Windjammer Management generally is not presented with investment opportunities that would be suitable for multiple Funds and other investment vehicles operated by advisory affiliates of Windjammer Management. However, from time to time, Windjammer Management may be presented with such opportunities. In determining which investment vehicles should participate in such investment opportunities, Windjammer Management and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents,

Windjammer Management is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Windjammer Management in a portfolio company also have the potential to raise the risk of using assets of a client of Windjammer Management to support positions taken by other clients of Windjammer Management.

In allocating investment opportunities, Windjammer Management must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Windjammer Management generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents (including conflicts of interest provisions), investment and operating guidelines, diversification limitations, tax and regulatory considerations, investment restrictions and other relevant factors, including risk. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. Additionally, a Fund generally reserves the right to invest together with other private investment funds advised by an affiliated adviser of Windjammer Management to the extent, in the manner and subject to any restrictions set forth in the Governing Document(s) and Windjammer Management's allocation policy. Windjammer Management will determine the allocation of each investment opportunity in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Windjammer Management's obligations and reserves the right to take into consideration factors such as those set forth herein.

Following such determination of allocation among Funds, Windjammer Management reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Windjammer Management's procedures regarding allocation. Windjammer Management's procedures permit it to take into consideration a variety of factors in making co-investment determinations, including but not limited to: expressed interest in co-investment opportunities; knowledge and experience in financial and business matters necessary to make the prospective co-investor capable of evaluating the merits and risks of the prospective investment; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory and/or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; Windjammer Management's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Windjammer Management's ability to execute the relevant transaction in the desired time or on desired terms; the size of the investment allocation available and the practicality of splitting the allocation into smaller tranches (such that co-investments below certain thresholds may be allocated to a single co-investor); the ability of the co-investor to invest an amount of capital that is consistent with the needs of the investment; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to other matters with respect to the investors in the transaction; whether the co-investor is considered "strategic" to the investment because it is able to offer a Fund or Windjammer Management certain benefits, including the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether Windjammer Management believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or

cultivate relationships that have the potential to provide longer-term benefits to a Fund or Windjammer Management; whether the co-investor has a history of consummating co-investment opportunities with Windjammer Management; whether the co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the likelihood that the co-investor would require governance rights; whether the co-investor has any interests in any competitor of the underlying investment; the size of the co-investor's interest to be held in the underlying portfolio company as a result of a Fund's investment; whether the co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction; and other appropriate factors. Although Windjammer Management reserves the right to consider a prospective co-investor's committed amount to a Fund and/or willingness to invest in future Funds, such considerations generally will not be the sole determining factor considered by Windjammer Management in identifying co-investors.

Furthermore, Windjammer Management and its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other limited partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to 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-investment opportunities generally appeal to Fund investors and third parties, Windjammer Management expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent that employees and related persons of Windjammer Management and its affiliates make capital investments in or alongside certain Funds, Windjammer Management and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Windjammer Management's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Windjammer Management will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Windjammer Management expects to be subject, discussed herein, did not exist.

In certain cases, Windjammer Management will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Windjammer Management will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-

investors, and unless required by the 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.

Though the Funds typically invest sequentially, if multiple Funds were ever to invest at the same, different or overlapping levels of a portfolio company's capital structure, there would be a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital were to be necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Windjammer Management in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, if the Funds were ever to invest at different or overlapping levels of a portfolio company's capital structure Windjammer Management would expect to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Although the Funds typically do not do so, if a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. If Windjammer Management ever had to administer, or seek to reinforce, these agreements, it expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Windjammer Management may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. In such event, Windjammer Management intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness without undue favoritism over time.

Though the Funds typically invest sequentially, potential conflicts are expected to arise should a Fund make an investment 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 Advisers and their affiliates reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel 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 taken for one or more Funds may adversely affect other Funds.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-investment vehicles eligible to reimburse expenses of that kind. In all such cases, subject to the Governing Documents, expense allocation decisions generally will be made by Windjammer Management or its affiliates in a manner they believe in good faith is fair and equitable to their clients under the circumstances over time, using their reasonable judgment and considering such factors as they deem relevant, but in any case in their sole discretion. In exercising such discretion, Windjammer Management expects to be faced with a variety of potential conflicts of interest, and 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 the 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 an Adviser. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, the Advisers and/or their affiliates typically have the right to appoint board members to such portfolio companies (including certain of the Advisers' or its affiliates' senior personnel and Strategic Consultants who, in some instances simultaneously serve, and receive compensation, as a consultant for such portfolio company), or to influence their appointment, and to determine or influence a determination of their compensation. In certain instances, the Advisers and/or their personnel and affiliates are expected to serve simultaneously in multiple roles, including as board members, consultants or in other capacities, with respect to a particular portfolio company. From time to time, portfolio company board members approve compensation and/or other amounts payable to an Adviser, its affiliates and/or Strategic Consultants. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Windjammer Management and/or its Strategic Consultants, and are subject to the applicable Governing Document(s).

Since the Advisers are permitted to retain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, they expect to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Portfolio Company Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Portfolio Company Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, Windjammer Management, its personnel, affiliates or others designated by Windjammer Management are permitted to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), Windjammer Management and/or such other recipients will be permitted to retain such securities as Portfolio Company Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Windjammer Management) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the

relevant Fund). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

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, Windjammer Management reserves the right to accrue, defer or forego payments of Portfolio Company 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.

Additionally, a portfolio company typically will reimburse Windjammer Management or service providers retained at Windjammer Management's discretion for expenses (including without limitation travel expenses and, where appropriate, meal and entertainment expenses) incurred by the Advisers or such service providers in connection with its performance of services for such portfolio company. This subjects Windjammer Management 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. Windjammer Management determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Advisers 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 potential conflicts of interest.

In connection with its services to the Funds and their investments, Windjammer Management, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Windjammer Management's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Windjammer Management 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, "**Windjammer Management Information**"). In many cases, Windjammer Management Information will include tools, procedures and resources developed by Windjammer Management to organize or systematize Windjammer Management Information for ongoing or future use. Although Windjammer Management expects its Funds and their portfolio companies generally to benefit from Windjammer Management's possession of Windjammer Management Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Windjammer Management and its personnel) and not by the Fund or portfolio company from which Windjammer Management Information was originally received or derived. Windjammer Management Information will be the sole intellectual property of Windjammer Management and solely for the use of Windjammer Management. Windjammer Management reserves the right to use, share, license, sell or monetize Windjammer Management

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.

Windjammer Management generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Windjammer Management or a related person of Windjammer Management (which may include a portfolio company of such Fund); (ii) an entity with which Windjammer Management or its affiliates or current or former members of their personnel has a relationship or from which Windjammer Management or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Windjammer Management personnel are seconded, or from which Windjammer Management receives secondees; or (iii) certain limited partners or their affiliates. For example, Windjammer Management expects 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 Windjammer Management to conflicts of interest, because although Windjammer Management 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, Windjammer Management 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 Windjammer Management, 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 Windjammer Management), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Windjammer Management will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Windjammer Management 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 Windjammer Management has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

From time to time, Windjammer Management causes a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Windjammer Management, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company

acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Windjammer Management, Windjammer Management reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price at the expense of the relevant Funds) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. In certain circumstances, Windjammer Management reserves the right not to obtain such an opinion or consent and reserves the right to determine that the willingness of a third-party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Whether or not such consent is obtained or there is a fairness opinion or a third-party investor, Windjammer Management intends to conduct such transactions in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to each Fund.

Although Windjammer Management generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately 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, Windjammer Management intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

The Advisers and/or their affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Windjammer Management and/or its affiliates; conversely, current or former personnel or executives of Windjammer Management and/or its affiliates may from time to time serve in significant management roles at portfolio companies or service providers recommended by Windjammer Management. Similarly, Windjammer Management, its affiliates and/or personnel have personal, familial and/or professional relationships with (or invest in) financial institutions, service providers (including Strategic Consultants) and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members, employees, or close contacts of the foregoing. 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, Windjammer Management and/or its affiliates, the Funds or other investment vehicles they advise and/or portfolio companies. In other circumstances, these vendors

are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Windjammer Management entities) to Windjammer Management personnel and their estate planning vehicles. Windjammer Management 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 Windjammer Management information about markets and industries in which Windjammer Management operates (or is contemplating operations), will provide other services that are beneficial to Windjammer Management or one or more other Funds, or will provide other benefits to Windjammer Management, its personnel or persons with whom they have a relationship (*e.g.*, employment) and/or one or more other Funds. For example, the Advisers reserve 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 a successor Fund rather than the Fund making the payment. Windjammer Management expects to be subject to a potential conflict of interest in making such recommendations, in that Windjammer Management 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.

Windjammer Management, its affiliates, and equity holders, officers, principals and employees of Windjammer Management and its affiliates reserve the right to buy or sell securities or other instruments that Windjammer Management has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Windjammer Management's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Windjammer Management including Strategic Consultants have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Governing Documents, Windjammer Management 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 directly 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, Windjammer Management and its personnel are also permitted to offer, restructure and monetize interests in Windjammer Management.

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 Windjammer Management may not otherwise have done so.

Windjammer Management reserves the right to cause one or more Funds, portfolio companies and prospective portfolio companies to retain Strategic Consultants which include other companies and individuals, which may be affiliates of the General Partners, employees of such affiliates, portfolio companies of other funds managed by the General Partners or their affiliates, third party consultants (including external executives), “operating partners,” “strategic partners,” “executive partners” or “senior advisors” for specified services in exchange for compensation. Strategic Consultants include consultants in which persons affiliated or otherwise associated with an Adviser or its affiliates have an ownership or economic interest or other relationship. The Funds, portfolio companies and prospective portfolio companies generally pay certain fees, retainers, discretionary bonuses, transaction fees, guaranteed minimums, profits or participation interest, incentive equity or other stock awards to Strategic Consultants (including third-party consultants or other persons introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more portfolio companies). To the extent that Strategic Consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Strategic Consultant’s services at a time when fewer portfolio companies or Funds make use of such Strategic Consultant. Strategic consultants are also expected to receive reimbursement of travel, meal and other out-of-pocket expenses. Strategic Consultants also invest in the Funds and/or the General Partners without the payment of a Management Fee and/or carried interest, and/or receive carried interest from the Funds and/or the Advisers. None of the foregoing amounts offset or reduce the Management Fee, and such amounts are not covered by the Management Fee. Although the foregoing relationships subject the Advisers and/or their affiliates to potential conflicts of interest, the Advisers believe that such potential conflicts may be reduced by potential efficiencies to portfolio companies and/or if the services of Strategic Consultants align with Windjammer Management’s model for the portfolio company and improve portfolio company performance. Although the Advisers seek to retain Strategic Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The Advisers also seek to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Advisers believe will align such persons’ interests with those of the Funds’ limited partners, and seek to retain only Strategic Consultants and service providers which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The method of calculating a General Partner’s carried interest may result in conflicts of interest with respect to the use of fund-level leverage and the management and disposition of investments, including with respect to the timing of dispositions and the valuation of investments, including the timing of investment write-downs and/or write-offs.

The Advisers and/or their affiliates reserve 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 or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Advisers' compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's Advisory Board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms.

Windjammer Management 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 Windjammer Management, 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 Windjammer Management, its affiliates and personnel, or the Funds. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing 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. Side Letters subject Windjammer Management to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's Advisory Board 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 Windjammer Management 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.

Windjammer Management has instituted a program under which portfolio companies owned by the Funds are either given the option to or required to participate in certain purchasing, vendor or similar arrangements with Windjammer Management, its affiliates and/or other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and

service providers on a groupwide basis. With respect to certain arrangements, participants voluntarily participate in the program without cost, whereas with respect to certain other arrangements, Windjammer Management allocates third-party administration costs for the program among the relevant Funds and/or portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Windjammer Management and its affiliates also participate in the program in exchange for an allocable portion of such costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce the Management Fee. Windjammer Management believes the potential for conflicts relating to such arrangements is mitigated 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 rates for goods and services are discounted due to scale or relative to those widely available in the market.

Windjammer Management has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Windjammer Management has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Windjammer Management, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

The relevant liability standards under insurance coverage procured by Windjammer Management 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 Windjammer Management's insurance coverage are higher or lower than that set forth in the Governing Documents.

The limited partners of each Fund include taxable and tax-exempt entities and investors from jurisdictions outside of the United States. Such persons may have conflicting tax and other interests with respect to their investment in such Fund. As a consequence, conflicts of interest will arise in connection with decisions made by Windjammer Management that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations, including with respect to the making or financing of investments. In the selection and financing of a Fund's investments, Windjammer Management will consider the investment and tax objectives of such Fund and the limited partners as a whole, and not the investment, tax or other objectives of any limited partner of such Fund individually.

Any of these situations subjects Windjammer Management and/or its affiliates to potential conflicts of interest. Windjammer Management attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Windjammer

Management's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles 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, Windjammer Management will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers notify and/or consult and receive consent to conflicts and/or potential conflicts from an Advisory Board consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

## **DISCIPLINARY INFORMATION**

Windjammer Management 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**

Windjammer Management is affiliated with the other Advisers, including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Windjammer Management's registration in accordance with SEC guidance. The Advisers operate as a single advisory business, serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Windjammer Management has adopted the Windjammer Capital Investors Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of Windjammer Capital Investors principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Windjammer Capital Investors personnel to report their personal securities transactions, requires preclearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Windjammer Capital Investors personnel from directly or indirectly acquiring beneficial ownership of securities identified by Windjammer Management as "restricted" with limited exceptions, without first obtaining approval from the Windjammer Capital Investors Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to Shannon Moffett, the Windjammer Capital Investors Chief Compliance Officer, at (949) 721-9944. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

Windjammer Management and its 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, Windjammer Management and its 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 Windjammer Management.

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

Principals and employees of Windjammer Management and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, and/or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund.

Co-investment opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, including Strategic Consultants, and such co-investments may be effected through co-investment vehicles, directly in a particular portfolio company, or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Windjammer Management and its 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, such Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

In borrowing on behalf of a Fund, Windjammer Management 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. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear

the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. 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. Windjammer Management will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable to the relevant Fund.

## **BROKERAGE PRACTICES**

Windjammer Management focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Windjammer Management reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Windjammer Management has not and does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Windjammer Management sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Windjammer Management. In such event, Windjammer Management will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Windjammer Management 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.

Windjammer Management has 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 the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Windjammer Management generally seeks competitive commission rates, it 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 Windjammer Management 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 Windjammer Management generally does not make use of such broker services at the current time and has not made use of such broker services since its inception. Such broker research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Windjammer

Management's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Windjammer Management, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Windjammer Management and its affiliates.

Windjammer Management has not engaged and does not anticipate engaging in significant public securities transactions; however, to the extent that Windjammer Management engages in any such transactions, orders for the 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 the Funds are completed independently, Windjammer Management reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Windjammer Management expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Windjammer Management is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible; provided Windjammer Management believes they are fair and equitable to its clients under the circumstances over time.

In Windjammer Management's private company securities transactions on behalf of the Funds, Windjammer Management reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Windjammer Management reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Windjammer Management generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

## **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, Windjammer Management monitors companies in which the Funds invest, and the Windjammer Capital Investors Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Subject to the relevant Governing Documents, the Funds generally provide to their limited partners (i) annual audited financial statements, (ii) annual tax information, (iii) quarterly unaudited financial statements and (iv) certain periodic updates regarding portfolio company investments.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Windjammer Management and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in many cases will offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "Fees and Compensation."

Windjammer Management reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees payable to any such placement agents typically would be borne by Windjammer Management indirectly through an offset against the Management Fee under the Governing Documents, 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(s).

## **CUSTODY**

Windjammer Management generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) of each Fund's assets held in such Fund's name, and intends to maintain such assets with the following qualified custodian: First Republic Bank, 2100 El Camino Real, Palo Alto, CA 94306.

## **INVESTMENT DISCRETION**

Windjammer Management and its affiliates have discretionary authority to manage investments on behalf of each Fund. As a general policy, Windjammer Management does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Windjammer Management and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons; however, such Side Letters generally do not limit a Fund's overall investments. Windjammer Management and its affiliates assume this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of each relevant Fund.

## **VOTING CLIENT SECURITIES**

Windjammer Management has adopted the Windjammer Capital Investors Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable,

for the Funds' portfolio investments. The Proxy Policy seeks to ensure that Windjammer Management votes proxies (or similar instruments) in the best interests of the Funds, including where there may be material conflicts of interest in voting proxies. Windjammer Management generally believes its interests are aligned with those of a Fund's investors through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Windjammer Management may address the conflict using several alternatives, including by seeking the approval or concurrence of the Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Advisory Board is authorized to approve Windjammer Management's vote in a particular solicitation. Windjammer Management does not consider service on portfolio company boards by Windjammer Management personnel or Windjammer Management's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Windjammer Management when voting proxies on behalf of any Fund. Clients or investors that would like a copy of the complete Proxy Policy or information regarding how Windjammer Management voted proxies for particular portfolio companies may contact Shannon Moffett, the Windjammer Capital Investors Chief Compliance Officer, at (949) 721-9944, and it will be provided to you at no charge.

## **FINANCIAL INFORMATION**

Windjammer Management 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.

### **SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF WINDJAMMER CAPITAL INVESTORS FORM ADV PART 2B**

#### **Costa Littas**

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

Mr. Littas is 66 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management, a member of the respective management committees that oversee WCI, WCI IV, WCI V and VRC GP, and is a member of the investment committees with respect to such General Partners. Prior to joining Windjammer Capital Investors in February 2001, Mr. Littas was employed at Butler Capital Corporation ("BCC"), a private equity and mezzanine firm, most recently as a general partner and managing director. While at BCC, he managed the firm's investment staff and was personally involved in sourcing, analyzing, negotiating and managing portfolio investments. Prior to joining BCC, he worked at Bank of Boston for eleven years, most recently as general manager of the bank's Midwest office in Chicago, Illinois, providing financing for middle-market leveraged buyouts. Mr. Littas is a graduate of Georgetown University and the University of Chicago Graduate Business School. He is currently a board member of Engineered Controls International. He previously held board positions at a number of companies, including Global Claims Services, JWC Environmental, Protective Industries, Rotex Holdings, Symmetry Medical (observation rights), McKenzie Sports

Products, Schutt Holdings, The RETEC Group, National School Supply, CT Farm and Country, Iron Age and Contech Construction Products.

*Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Littas.

*Other Business Activities*

Mr. Littas is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

*Additional Compensation*

Mr. Littas does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to hold vested carried interest amounts from his tenure at BCC.

*Supervision*

Mr. Littas is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Littas with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721- 9944.

**Robert (Bob) Bartholomew**

*Educational Background and Business Experience*

Mr. Bartholomew is 75 years of age and is a member of the management committee that oversees WCI, and WCI IV and a member of the investment committees with respect to such General Partners. He co-founded Pacific Mezzanine Investors, the predecessor firm to Windjammer Capital Investors, in 1990. Previously, Mr. Bartholomew was affiliated with Pacific Life Insurance Company ("Pacific Life") from 1986 to 1990, during which he made a wide variety of investments on Pacific Life's behalf. Prior to that, he spent 10 years with the Bank of Boston specializing in middle-market, multinational, high technology lending and also ran a Bank of Boston subsidiary bank, Bank of Boston International, Los Angeles. He previously held board positions at a number of companies, including Cable Design Technologies, Corrections Corporation of America, Sleepmaster, Shari's Management Corporation, PCA Parking Company of America, Suiza Food, Save Mart Supermarkets, S.T. Specialty Foods, Automatic Bar Controls, Infinite RF Holdings and BBB Industries. Mr. Bartholomew earned a B.A. in Economics and an M.B.A. in Finance from Rutgers University.

*Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Bartholomew.

### *Other Business Activities*

Mr. Bartholomew is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers other than providing certain consulting services to the affiliate of a Strategic Consultant with respect to its sponsorship of one or more co-investment funds or similar investment vehicles, which are expected to pursue a different investment strategy than the Funds. Mr. Bartholomew may receive compensation, including a profits interest, that is not expected to be substantial and/or the opportunity to invest in such vehicles or their managers. Windjammer does not believe such activity creates a material conflict of interest.

### *Additional Compensation*

Mr. Bartholomew does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Mr. Bartholomew is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Bartholomew with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Partnership Agreement of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721-9944.

## **Gregory J. Bondick**

### *Educational Background and Business Experience*

Mr. Bondick is 51 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management and WCI V and a member of the investment committees with respect to WCI IV, WCI V and VRC GP. Prior to joining Windjammer Capital Investors in March 2000, Mr. Bondick worked in Prudential Capital's Corporate Finance Group in Dallas, Texas where he was responsible for origination, structuring and managing private debt and equity investments in companies located in the Southwest. Mr. Bondick received his BBA from the University of Texas at Austin. He currently serves on the boards of HSC Acquisition, Components Hardware Group, North American Commercial Parts and Service, Inc. dba Parts Town (FKA - Heritage Food Service Group, Inc.), Hermetic Solutions Group, Hilco Vision, Rowmark and IPS Group. He was formerly on the boards of Advanced Instruments, Protective Industries, S.T. Specialty Foods, Rotex Global and Maxcess International Corporation.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Bondick.

#### *Other Business Activities*

Mr. Bondick is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

#### *Additional Compensation*

Mr. Bondick does not receive any additional compensation that is required to be disclosed.

#### *Supervision*

Mr. Bondick is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Bondick with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721- 9944.

### **Jeff Mieke**

#### *Educational Background and Business Experience*

Mr. Mieke is 52 years of age and is a Managing Principal, a member of the management committee that oversees Windjammer Management and WCI V and a member of the investment committees with respect to WCI IV, WCI V and VRC GP. Prior to joining Windjammer Capital Investors in February 2007, Mr. Mieke was a principal with Industrial Growth Partners, a private equity firm focused exclusively on the manufacturing sector, where he was also a member of the investment committee. Mr. Mieke is a graduate of Stanford University and has a BS in Industrial Engineering.

Mr. Mieke currently serves on the boards of Vital Records Control, Flinn Scientific, Mission Critical Electronics, Compex and IPS Group. He was formerly on the boards of AmerCable, Jonathan Engineered Solutions, The Felters Company, Weasler Engineering, Airpax Holdings, BBB Industries, Infinite RF Holdings and JWC Environmental.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Mieke.

#### *Other Business Activities*

Mr. Mieke is not engaged in any investment-related business outside of his roles with Windjammer Capital Investors and its affiliated investment advisers.

#### *Additional Compensation*

Mr. Mieke does not receive any compensation from investment advisory services currently provided to non-Windjammer Capital Investors clients; however, he continues to hold vested carried interest amounts from his tenure at Industrial Growth Partners.

### *Supervision*

Mr. Mieke is subject to the provisions of the Windjammer Capital Investors' Compliance Manual and the Code. Windjammer Capital Investors' Chief Compliance Officer, Shannon Moffett, supervises the actions of Mr. Mieke with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Governing Documents of each applicable Fund provided to investors in the Fund. Ms. Moffett can be reached at (949) 721-9944.