

**Item 1. Cover Page**

**Silver Lake Technology Management, L.L.C.**

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Part 2A of Form ADV: Firm Brochure  
March 31, 2022

**This brochure provides information about the qualifications and business practices of Silver Lake Technology Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at (650) 233-8120. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Silver Lake Technology Management, L.L.C. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

This brochure, dated as of March 31, 2022, contains several material changes from the last firm brochure dated as of May 21, 2021, including, but not limited to: updates to fee and expense disclosure, new risk factors and enhanced conflicts of interest. In addition, the Adviser routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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#### Item 4. Advisory Business

For purposes of this brochure, unless otherwise noted, the “Adviser” means each of (i) Silver Lake Technology Management, L.L.C. (“Silver Lake Technology Management”); (ii) Silver Lake Management Company III, L.L.C., Silver Lake Management Company IV, L.L.C., Silver Lake Management Company V, L.L.C., Silver Lake Management Company VI, L.L.C., Silver Lake Management Company VII, L.L.C., Silver Lake Management Company SPV-1, L.L.C., Silver Lake Management Company SPV-2, L.L.C. and Silver Lake Management Company SPV-3, L.L.C. (collectively, “Silver Lake Partners”); (iii) Silver Lake Alpine Management Company, L.L.C. and Silver Lake Alpine Management Company II, L.L.C. (collectively “Silver Lake Alpine”); (iv) Silver Lake Management Company LTC, L.L.C. (“Silver Lake Long Term Capital”); (v) Silver Lake Waterman Management Company, L.L.C. and Silver Lake Waterman Management Company III, L.L.C. (collectively “Silver Lake Waterman”); (vi) Silver Lake Management Company Sumeru, L.L.C. (“Silver Lake Sumeru”); and (vii) Silver Lake Kraftwerk Management Company, L.L.C. (“Silver Lake Kraftwerk”); including (where the context permits) their general partners and affiliates that manage investments for, provide advisory services to, and/or receive Advisory Fees from the Funds (as defined below) (collectively the “Advisers”). Such affiliates are controlled by, or under common control with, Silver Lake Technology Management, but possess a substantial identity of personnel and/or equity owners with Silver Lake Technology Management. Such affiliates are formed for tax, regulatory, or other purposes in connection with the organization of the Funds (as defined below).

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

The Adviser from time to time establishes certain investment vehicles (herein referred to as “Side-By-Side Co-Investment Vehicles,” and collectively with the Main Funds, as “Funds” and each individually as a “Fund”) through which certain current and former employees, members, officers, senior and special advisors, business relationships, and independent contractors of the Adviser and/or their family members, officers and employees of the Adviser’s affiliates and/or their family members, certain investors in the Main Funds and/or a Main Fund itself, or other persons close to the firm invest alongside one or more Main Funds in one or more investment opportunities. Such vehicles generally are contractually required, as a condition of investment, to purchase and exit their investments in each investment opportunity at substantially the same time, and on substantially the same terms, as the applicable Main Fund that is invested in that investment opportunity.

The Adviser operates its business across six segments, consisting of:

- (i) *Silver Lake Partners*, which primarily focuses on investments in large-scale companies within the technology, technology-enabled, and related growth industries, using a broad variety of investment types and transaction structures.
- (ii) *Silver Lake Alpine*, which primarily focuses on non-control, downside-protected, privately negotiated structured equity and debt investments in large-cap technology, technology-enabled, and related growth companies globally.

- (iii) *Silver Lake Long Term Capital*, which has a broad mandate to invest in, among other things, technology related companies, industries other than technology, tech-enabled and related growth industries, other investment funds (including venture funds, real estate funds, infrastructure funds and other funds that do not generally compete with Silver Lake Funds), and opportunistic investments with longer expected hold periods or different return profiles or that are earlier stage than those targeted by Silver Lake Partners and Silver Lake Alpine Funds. Silver Lake Long Term Capital will also invest in Side-by-Side Co-Investment Vehicles and occasionally direct co-investment with approvals as necessary or appropriate.
- (iv) *Silver Lake Waterman*, which primarily focuses on debt and debt-like investments to later-stage private companies in the technology, technology-enabled, and related growth industries
- (v) *Silver Lake Sumeru*, which focused on investments in middle-market companies within the technology, technology-enabled, and related growth industries. Silver Lake Sumeru Fund, L.P. (including its associated Side-By-Side Co-Investment Vehicle, the “SLS Fund”) is not making any new investments and Silver Lake Sumeru is in the process of finding liquidity for its remaining investment.
- (vi) *Silver Lake Kraftwerk*, which has a portfolio of technology and technology-enabled growth businesses that seek to drive efficiency across the operations, energy, and resources industries. Silver Lake Kraftwerk Fund, L.P. (including its associated Side-By-Side Co-Investment Vehicle) is not making any new investments other than follow-on investments.

The Adviser’s investment management and/or investment supervisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments. The Adviser serves as the investment adviser or sub-adviser to the Funds in order to provide such services.

The Adviser provides investment management and/or investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund (the “Organizational Documents”), separate investment management agreements (each such investment management agreement, an “Advisory Agreement”), and/or side letters with investors (collectively, the “Governing Documents”).

Investment advice is provided directly to the Funds, and not individually to the investors in the Funds. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund.

Silver Lake Technology Management is indirectly owned by certain members of its senior management as well as Dyal Capital Partners Fund III, a permanent capital fund that is managed by the Dyal Capital division of Blue Owl Capital Inc. (“Dyal”), and certain subsidiaries of Mubadala Investment Company (“Mubadala”). Neither Dyal nor Mubadala has any control over the day-to-day operations or investment decisions of Silver Lake Technology Management as they relate to the Funds, but each has certain customary minority protection consent rights. Each of Silver Lake Partners, Silver Lake Alpine, Silver Lake Long Term Capital and Silver Lake Kraftwerk is a wholly owned subsidiary of Silver Lake Technology Management, and Silver Lake

Technology Management is engaged as a sub-adviser by each. Silver Lake Waterman Management Company, L.L.C. is wholly owned through an intermediate entity by Silver Lake Technology Management and Shawn O'Neill and Richard Stubblefield, Managing Directors of Silver Lake Waterman, and Silver Lake Waterman Management Company III, L.L.C. is wholly owned through Silver Lake Waterman Management Company, L.L.C. and Shawn O'Neill, Managing Director of Silver Lake Waterman, and Silver Lake Technology Management is engaged as a sub-adviser by Silver Lake Waterman. Silver Lake Sumeru is owned by Silver Lake Technology Management and Ajay Shah, former Group Head and former Managing Partner of Silver Lake Sumeru, and Silver Lake Technology Management is engaged as sub-adviser by Silver Lake Sumeru. Silver Lake Technology Management has been in business since 1999; Silver Lake Management Company III, L.L.C. since 2006; Silver Lake Management Company IV, L.L.C. since 2012; Silver Lake Management Company V, L.L.C. since 2016; Silver Lake Management Company VI, L.L.C. since 2020; Silver Lake Management Company VII, L.L.C. since 2021; Silver Lake Management Company SPV-1, L.L.C. since 2017; Silver Lake Management Company SPV-2, L.L.C. since 2019; Silver Lake Management Company SPV-3, L.L.C. since 2020; Silver Lake Waterman Management Company, L.L.C. since 2012; Silver Lake Waterman Management Company III, L.L.C. since 2018; Silver Lake Alpine Management Company, L.L.C. since 2018; Silver Lake Alpine Management Company II, L.L.C. since 2020; Silver Lake Management Company LTC, L.L.C. since 2020; Silver Lake Management Company Sumeru, L.L.C. since 2007; and Silver Lake Kraftwerk Management Company, L.L.C. since 2010. As of December 31, 2021, the Adviser manages approximately \$93.5 billion of client assets (including committed but unfunded capital), all of which is managed on a discretionary basis.

## **Item 5. Fees and Compensation**

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund and/or its portfolio companies has in the past made, and is expected in the future to make, other payments to the Adviser or its affiliates for services provided to the portfolio companies. While such payments are in addition to the Advisory Fees, the Adviser will (except as described below) share these amounts with investors through a reduction in the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such amounts. This sharing arrangement benefits investors by reducing the amount of Advisory Fees to be paid to the Adviser by a pre-established sharing percentage that was negotiated between the Adviser and its investors. Additionally, consistent with the Governing Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

### **Advisory Fees**

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund (except for Side-By-Side Co-Investment Vehicles) an advisory fee (each, an "Advisory Fee") typically calculated based on committed capital or invested capital, with respect to such Fund. Advisory Fees paid by a Fund have in the past been, and are expected also in the future to be, reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund's activities and investments, or by certain excess organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund

are indirectly borne by investors in such Fund, but such Advisory Fees are added to the cost of investment prior to any Carried Interest (as defined below in Item 6) taken by the Adviser.

Advisory Fees charged to, and received from, the Funds are generally payable quarterly in advance for active funds of Silver Lake Partners, Silver Lake Long Term Capital, and certain Silver Lake Waterman Funds, and in arrears for certain other Silver Lake Waterman Funds and Silver Lake Alpine. Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

As our investors are aware, the precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser through negotiations with investors in the applicable Fund, and are set forth in such Fund's Governing Documents. The Advisory Fees and other fees and distributions described above are generally subject to modification, waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which will typically, except as otherwise agreed to with an investor, not be disclosed to all other investors in the same Fund. Fees will often differ from one Fund to another, as well as among investors in the same Fund. The fee structures described above will be modified from time to time. In certain cases, the rate of Advisory Fees payable by an investor in a Fund will be lower based on the size of the investment in the Funds made by the investor if investment commitments meet certain size-based fee reduction qualifications. Such fee reduction arrangements, as applicable, are described in the relevant Funds' Governing Documents.

The Side-By-Side Co-Investment Vehicles and certain investors in a Fund that are current or former employees, business relationships, or "friends and family" of the Adviser or its personnel (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, "Adviser Investors") will not typically pay Advisory Fees or Carried Interest in connection with their investment in a Fund. The Adviser, in certain instances and in its discretion, has in the past lent and will in the future lend money to investors in the Side-By-Side Co-Investment Vehicles to make or subsidize the making of certain investments.

The Advisory Fees paid by a Fund will generally be reduced by a percentage of: (1) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund (which fee may be a flat fee or a fee with respect to only certain potential investors), (2) expenses incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's Governing Documents and/or (3) certain Other Fees (as defined and described in more detail below under "*Other Fees*") received by the Adviser or its affiliates. The amount and manner of any such reduction, if any, is set forth in the Governing Documents of the applicable Fund. To the extent an Other Fee relates to more than one Fund, the Adviser shall allocate the resulting Advisory Fee reduction among the applicable Fund(s) in accordance with the terms and provisions of the Organizational Documents of such Fund(s), and in the absence of such applicable provision, in its good faith judgment. Generally any such reduction of a Fund's Advisory Fees will be limited to the extent of such Fund's proportionate interest in any such portfolio company. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. Silver Lake Long Term Capital does not benefit

from any such reductions in respect of its interest held through any Side-By-Side Co-Investment Vehicles.

## **Other Fees**

### *Fees Payable by Portfolio Companies*

#### **Transaction Fees**

As our investors are aware, the Adviser and its affiliates perform transaction-related, financial and other advisory and other services for, and in many instances will receive cash, equity and other non-cash fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with structuring investments in portfolio companies or prospective portfolio companies and similar transactions with respect to such portfolio companies or prospective portfolio companies (such fees, “Transaction Fees”). Transaction Fees are often calculated as a percentage of the total enterprise valuation of the transaction, which could be based on the aggregate amount of funds raised (including invested capital, rolled-over equity and debt assumed or financed by a Fund and/or the portfolio company and its subsidiaries and affiliates) or otherwise based on the investment size or other relevant factors.

#### **Monitoring Fees**

As our investors are also aware, the Adviser and its affiliates may also receive “Monitoring Fees” pursuant to agreements with portfolio companies of the Funds governing the advice, consultation, operational enhancements and other similar ongoing services provided by the Adviser to such portfolio companies. As discussed below, these fees are shared with our investors, with the investors receiving the majority of (if not the entirety of) the economic benefit of these fees due to a pre-established sharing percentage negotiated between the Adviser and its investors. The terms of a typical monitoring agreement may include (among other things) annual or other automatic renewals, the payment of Monitoring Fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance or other metric), and, as our investors are aware, the acceleration of payment of the Monitoring Fees following certain milestones, such as an initial public offering, interim liquidity or realization event, sale or other strategic exit. In such instances, the Monitoring Fee has been earned, and is expected to be taken, without regard to whether the Adviser is expected to continue to be involved in the portfolio company. The lump-sum termination fee has been in the past and, if applicable, is likely in the future to be calculated as the present value of hypothetical foregone future payments (which in some cases exceed ten years, are subject to automatic extensions and renewal, extend past the term of a Fund, and/or may be based on an assumed growth in EBITDA or another metric used to calculate the fee). Such present value has been in the past and is likely in the future to be calculated using a discount rate as low as the risk-free rate, as determined by the Adviser. Since such agreements will often have prolonged terms, the financial effect of such acceleration has been in the past and, if taken in the future, is likely to be substantial, particularly in the event such circumstances occur early in the life of the Fund’s investment in such portfolio company.

To mitigate any potential adverse effect of an accelerated Monitoring Fee on investors, the Adviser has adopted a policy prohibiting it from accepting any accelerated Monitoring Fee unless it



determines either that (1) accepting the accelerated fee is either neutral or economically beneficial to investors in the Fund, taking into consideration the total amount of Advisory Fees that are currently and are likely in the future to be available for offset, or (2) the Adviser provides an offset to the Fund equal to the potential cost to investors of accepting the accelerated Monitoring Fee, such that investors would be no worse off by the acceptance of such accelerated fee, and any such offset is disclosed to investors of the Fund.

#### Additional Other Fees

As our investors are aware, in addition, the Adviser and its affiliates will often receive fees in connection with serving on the board of directors of a portfolio company (“Director’s Fees”). In addition, the Adviser and its affiliates may receive fees in connection with an unconsummated transaction (“Break-Up Fees”) and guarantor, surety, and other similar fees, including fees that are customarily received by structured equity and structured debt investors for the use of capital with respect to a Fund’s portfolio investments (e.g., commitment fees, funding fees and facility fees, including undrawn facility fees, together with Transaction Fees, Monitoring Fees, Director’s Fees and Break-Up Fees, the “Other Fees”). The amount and timing of Other Fees received by the Adviser are generally specified in the agreement or other documentation governing the transaction.

Certain other fees and reimbursements that are generally not considered “Other Fees” and do not reduce the Advisory Fee payable by a Fund include (but are not limited to) the following: (i) fees or expenses borne by a Fund directly, and (ii) any amounts paid by a former portfolio company, such as directors’ fees a former portfolio company pays an Adviser professional who remains on the company’s board of directors following the Fund’s disposition of its investment in the company.

#### Calculation of Other Fees

Other Fees for the services described above are often established prior to or upon the initial consummation of an investment, though have in the past been, and are expected from time to time in the future to be, established after the investment consummation. Generally under the terms of the applicable Organizational Documents, for purposes of calculating any Advisory Fee offset, Other Fees are net of any unreimbursed out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such Fees. Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. The Adviser will, except as detailed below, share these fees with investors through a reduction in the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees (except with respect to Side-By-Side Co-Investment Vehicles, which do not pay Advisory Fees). The amount and manner of such reduction, which is set forth in the Governing Documents of the applicable Fund, will involve applying a significant portion (as much as 100%) of Other Fees as a credit to benefit limited partners, typically expressed as a reduction to Advisory Fees to be paid to the Adviser. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. Silver Lake Long Term Capital does not benefit from any such reductions in respect of its interest held through any Side-By-Side Co-Investment Vehicles.

To the extent an Other Fee relates to more than one Fund participating in an investment, the Other Fee is generally allocated among such Funds based on the investment of such participating Funds, or on such other basis that the Adviser determines to be fair and reasonable in its sole discretion. Further, if Other Fees relate solely to one or more Silver Lake Funds' investment in a portfolio company, then such Other Fees shall only be allocated to the applicable Silver Lake Fund(s) (e.g. Other Fees related to a designated board seat granted to a Silver Lake Fund in respect of its equity investment therein shall only be allocated to such Silver Lake Fund, and not any other Silver Lake Funds that may also be invested in such company without any right to a board seat).

#### Conflicts Relating to Payment of Other Fees

The setting of the amounts of Other Fees by portfolio companies will in some, but not all, circumstances create a conflict of interest between the Adviser and its affiliates on the one hand, and the Funds and their investors on the other hand, because the amounts of these Other Fees and reimbursements (see "*Expense Reimbursement*" below) are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company and therefore the fees are not subject to an independent market check. Therefore, a conflict of interest will, in certain circumstances but not all circumstances, exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of the Adviser potentially being deemed to act on behalf of both parties. The Adviser determines the amount of these Other Fees for the services provided and reimbursements in its own discretion (and not necessarily on an arms-length basis), subject to agreements with sellers, buyers, and management teams, the board of directors of, or lenders to, portfolio companies, and/or third party co-investors in the transactions certain of whom the Adviser may or will control and/or over whom the Adviser exerts meaningful influence. The amount of such fees and reimbursements will not necessarily (except in connection with the reductions described above) be disclosed to investors in the Funds.

#### Payment of Stock as Other Fees

In the event that the Adviser or one or more of its managing partners or employees, on behalf of the Adviser, receives stock of a portfolio company as an Other Fee due to service of a managing partner or employee of the Adviser on the board of such portfolio company or as compensation for other services provided to such portfolio company, once the Other Fees are run through the offset and limited partners are given their share of the value in accordance with a Fund's Governing Documents, the Adviser or the recipient of stock may act in its own interest, which creates a conflict of interest between the Adviser or its managing partners or employees, on the one hand, and a Fund, on the other hand because the recipient's interests may not be aligned with those of a Fund and the recipient may determine to sell the stock received at a different time, or on different terms, than a Fund would sell its interest.

#### *Payments Made to Third Parties*

As our investors are aware, from time to time, the Adviser and its affiliates also engage and retain senior or special advisors, advisors, consultants, and other similar professionals who are

independent industry executives and not employees or affiliates of the Adviser (though such persons may have a relationship with Silver Lake, for example, by serving as an adviser or officer of one of its portfolio companies) and who receive payments from or interests in the Funds, the general partner, and/or from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such fees or other compensation earned by such persons will be retained by them and will not be deemed to be earned by the Adviser and its affiliates. Such amounts will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors. For a discussion of the potential material conflicts of interest created by the engagement of such persons, please see “*Outside Support Providers*” in Item 11 below.

### *Expense Reimbursement*

As our investors are aware, a portfolio company will often reimburse the Adviser or a Fund for expenses incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not generally included in the definition of “Other Fees” under the terms of the applicable Organizational Documents and typically will not be subject to sharing arrangements described above. Such expenses that are reimbursed include, without limitation, travel expenses, which include expenses for private (as described below), first-class or business class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to the usage of premium black car and other car services, which from time to time include waiting time and in the aggregate could be substantial, and premium meals (including outside normal business hours), and social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses and, in the case of certain of the Funds, compensation expenses relating to time spent by member(s) of the Operating Team (described below) in consideration of a disposition and in effecting operational improvements for existing portfolio companies. For a discussion of the potential for material conflicts of interest created by the allocation and receipt of such expenses and reimbursements, please see Item 11 below.

## **Expenses**

### *Adviser Expenses*

To the extent provided in the Governing Documents, the Adviser will bear all costs and expenses associated with the performance of its services under the Advisory Agreement except categories of costs and expenses designated in the Governing Documents as expenses to be borne by the relevant Fund, or as set forth below as a “Fund Expense”.

## *Fund Expenses*

Over the life of a Fund, aggregate expenses to be borne by that Fund (and as a result the investors) are usually substantial and will reduce returns to investors. All costs and expenses of operating a Fund will be borne by the relevant fund. As our investors are aware, consistent with the Organizational Documents of the Funds, such costs and expenses generally include all fees, costs, and expenses directly related to the investigating, purchase, monitoring (in each case including with respect to ESG, cyber security, anti-corruption and other similar functions), holding and disposition or sale of securities, expenses of custodians, depositaries, legal counsel, accountants, auditors, administrators, tax advisors, consultants (including, but not limited to, consulting fees for senior or special advisors, advisors, and other similar professionals incurred by a Fund for the benefit of its portfolio company and independent representatives on behalf of a Fund, if applicable), brokers, deal finders, agents, loan servicers, independent representatives, valuation firms or experts for valuations, appraisals or pricing services, and other advisors and professionals, information technology expenses, including licensing and maintenance fees and the costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, its investments or a portfolio company or potential investment (including specialty and custom software and hardware), expenses related to attending industry meetings, conferences or similar events in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), risk management assessment and ongoing monitoring expenses, and payments made to consultants and expenses related to research or to the provision of investment activity related market data and reporting (including research costs allocated by third-party groups, and including data and information service subscriptions, related systems and services from data providers and data management software), and closing, execution and other transaction costs, expenses associated with making capital calls from and distributions to investors, including fees and expenses of information technology used to facilitate such activities and the Advisory Fee. Such costs and expenses generally will also include travel (including private air, first class, and/or business class airfare, private premium hired cars (which may include waiting time), premium lodging (including temporary housing, furnishings, etc.), ground transportation, and travel meals), insurance premiums of any director and officer liability or other insurance, including the insurance of which the Adviser and its affiliates are beneficiaries, indemnity, litigation or arbitration expenses (including, without limitation, settlements of claims (whether involving alleged wrongdoing or otherwise) and payment of advisers in connection with litigation involving investment or other activities of a Fund), or the costs and expenses of any lenders, investment banks, and other financing sources. Such costs and expenses generally will also include out-of-pocket expenses incurred in connection with a Fund's legal (which includes expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions and software or licensing fees to facilitate such compliance), administrative, and regulatory compliance and approvals with U.S. federal, state, local, non-U.S., or other laws and regulations (including without limitation, expenses and other charges allocated or relating to such Fund's activities (including software, accounting, legal, consulting and other expenses involved in the preparation and filing of Form PF (for some Funds) and other regulatory filings of the Adviser, general partner and its affiliates relating to such Fund's activities, including the preparation and filing of any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to "FATCA" and Report of Foreign Bank and Financial Accounts)), including as it relates to

compliance with Rule 206(4)-2 of the Advisers Act, all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund, expenses incurred in connection with tax preparation and filings, expenses relating to preparing, printing and distributing investor reports physically or electronically (including software use to electronically distribute such reports), out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) that are requested by one or more investors in a Fund, some expenses related to annual meetings of investors (for some Funds), limited partner advisory committee meetings, and investor reporting and any taxes, fees or other governmental charges levied against the Fund or payable by a Fund. In certain Funds, expenses may also include charitable contributions (whether paid directly or indirectly to a charity or to a portfolio company for the benefit of such charitable purpose), including in connection with a portfolio company or potential investment, which have been reviewed in accordance with the Adviser's policies and procedures.

A Fund typically reimburses the Adviser for expenses related to the organization and marketing (including travel (including private, first class, and/or business class airfare, private premium hired cars (which may include waiting time), premium lodging, ground transportation, and travel meals)) of the Fund, as well as the expenses related to transactions which are not consummated (including expenses that would have been borne by co-investment vehicles, if consummated, which include but are not limited to, certain advisory, transaction, consulting and other similar expenses paid by the Adviser or the Adviser's affiliates, and legal expenses incurred in connection with claims, disputes, litigations or investigations relating to unconsummated or proposed investments and including expenses and fees that would have been allocable to co-investors), and such reimbursements are not subject to the fee offset arrangements with Fund investors described herein unless they exceed a limit specified in such Fund's Governing Documents, if any. The costs and expenses in connection with investigating, holding, and monitoring prospective or actual transactions are usually substantial and may include, without limitation, research expenses, travel expenses (including private, first class, and/or business class airfare, private premium hired cars (which may include waiting time), premium lodging (including temporary housing, furnishings, etc.), ground transportation, and travel meals), and other expenses such as business meals. In addition, a Fund will be responsible for all fees and expenses, such as out of pocket fees associated with due diligence, attorney fees and the fees of the other professionals including legal, financial, accounting, valuation services, ESG services, investigative services, consulting, or other third party advisors or any lenders, investment banks, and other financing sources generated in the course of evaluating potential investments that are not consummated ("Broken Deal Costs") and that the Adviser does not elect to pay. Out-of-pocket expenses associated with completed transactions as described in the prior paragraph, which expenses may include payments to certain advisers in connection with the consummated deal, generally will be reimbursed by portfolio companies, capitalized as part of the acquisition price of the transaction or reimbursed by the relevant Fund. With respect to the expenses described herein, the Adviser typically does not seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses and such expenses, individually or in the aggregate, can be substantial.

The costs and expenses of travel described herein as private air travel will include (i) reimbursements for the use of private aircraft owned, partially owned or leased by one or more of the Adviser's investment professionals or other personnel or their affiliates, and/or (ii) costs for private air travel as well as first class and/or business class flights. In light of the period of remote work that began in response to the global pandemic and remains ongoing, and may continue to

persist at rates higher than pre-COVID-19 pandemic rates, regardless of evolving pandemic conditions, there have been, and may continue to be, increased costs relating to private air travel resulting from travel by individuals who are presently working in remote locations where Silver Lake does not have an established office. Such travel can involve additional and/or greater costs than may otherwise have been incurred had the individual been based in a location where Silver Lake maintains an office. The costs of acquiring, operating and maintaining any private aircraft owned, partially owned or leased by one or more of the Adviser's investment professionals or other personnel or their affiliates are borne by the respective owner/lessees of such aircraft, and a Fund reimburses such owner(s), as invoiced by the Adviser (or an affiliate thereof), for costs (including overhead) relating to the use of such aircraft for business purposes of a Fund based on the current market rates determined using the lesser of amounts billed, if applicable, or cost as determined by an air travel calculation tool which is used in the industry. The foregoing approach is subject to modification without notice if, in the Adviser's sole and good faith discretion, it believes such modifications are appropriate in order to ensure a Fund is bearing its reasonable approximation of costs and expenses associated with such aircraft usage (which may include an approach that results in a Fund bearing a greater share of such expenses than under previous or other available methodologies).

From time to time, the general partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event a general partner creates an SPV, consistent with the Organizational Documents of the Fund, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly, the investors thereof. In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) may be borne by the Fund and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle).

#### *Co-Investment Vehicle Expenses*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by an investor or investors alongside the Fund may be formed prior to or in connection with the consummation of a transaction. Consistent with the Governing Documents of a Fund, in the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making and holding of an investment.

As our investors are aware, however, if a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any Broken Deal Costs would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, absent a specific agreement to the contrary with a prospective co-investor. For example, co-investors will often not be parties to equity commitment letters or other similar obligations entered into as part of definitive agreements for the acquisitions of investments by a Fund. Similarly, co-investors, whether investing alongside a Fund or via a co-investment vehicle are not typically allocated any share of Break-Up Fees paid or received in connection with

such an unconsummated transaction. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise evaluated an investment or committed to invest in the proposed transactions), some or all of the Broken Deal Costs or Break-Up Fees are likely to be borne solely by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, but not to the co-investment vehicle or other co-investors to which the co-investment opportunity was offered.

Furthermore, the Side-By-Side Co-Investment Vehicles will typically not be allocated any share of Broken Deal Costs incurred in connection with a proposed but not consummated transaction, and are not typically allocated any share of Break-Up Fees paid or received in connection with such an unconsummated transaction. Notwithstanding the foregoing, Silver Lake Long Term Capital will be allocated its share of Broken Deal Costs incurred in connection with transactions that it would have participated in through such Side-By-Side Co-Investment Vehicles as an investor in such Side-By-Side Co-Investment Vehicles, however Silver Lake Long Term Capital will not be allocated its share of Break-Up Fees paid or received in connection therewith.

The Adviser and its affiliates have discretion to (i) receive performance-based compensation, Advisory Fees, administrative fees or other similar fees from co-investors and (ii) although the Adviser has not done so in the past, it could in the future seek to collect customary fees in connection with actual or contemplated investments that are the subject of co-investment arrangements.

#### *Allocation of Expenses*

Routinely, the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund, or expenses may be allocated among multiple Funds and entities. Such allocation determinations are inherently subjective and often do present conflicts of interest for the Adviser.

The Adviser will allocate fees and expenses incurred in connection with the offering and management of a Fund between the Adviser and the Fund in accordance with the Fund's Governing Documents, and to the extent not addressed in the Fund's Governing Documents, in the Adviser's sole discretion, in each case using good faith and its reasonable judgment.

The appropriate allocation between Funds, the Adviser, limited partners and Third Parties (as defined below) of Broken Deal Costs will be determined by the Adviser and its affiliates in each case in accordance with the Fund's Governing Documents, and to the extent not addressed in the Fund's Governing Documents, in the Adviser's sole discretion, in each case using good faith and its reasonable judgment.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluation and making investments that are consummated between the applicable Fund(s) investing in (or proposing to invest in) such portfolio company. The Adviser will allocate fees and expenses to be borne by the Funds in accordance with the Fund's Governing

Documents or to the extent not addressed in such documents or agreements in its sole discretion, in each case using good faith and its reasonable judgment. In allocating fees and expenses related to investment opportunities, the Adviser generally shall adhere to the following procedures:

- Unless circumstances exist that would call for a different result, the Adviser will allocate expenses across Funds based on each Fund's *pro rata* participation in an investment opportunity (or anticipated participation for any transaction that is not consummated) or capitalize expenses in connection with the Funds' investment, also allocated on a *pro rata* basis, subject to any applicable Fund restrictions.
- The Adviser will track and allocate fees and expenses associated with each investment opportunity (by use of deal codes or other appropriate methods).

In exercising its good faith and reasonable judgment to allocate fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, a conflict of interest could arise in the Adviser's determination whether certain costs or expenses that are incurred in connection with the operation of a Fund meet the definition of Partnership Expenses for which such Fund is responsible, or whether such expenses should be borne by the Adviser. In addition, because the allocation process is highly subjective, determinations made by the Adviser in this regard could later be determined by the Adviser after a subsequent review of allocations to be inaccurate or sub-optimal, in which case the Adviser will undertake measures to revise such allocation, including without limitation a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by the Adviser, in its subjective judgment, to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for any particular item or service may not reflect the relative benefit derived by such Fund from that item or service in any particular instance and a Fund will bear more or less of a particular expense based on the methodology used.

The Adviser, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees and/or are reimbursed for certain expenses. Payments may take varying forms, including but not limited to a grant of equity or profits interests in an investment or such other economic interest. Any fees and expenses associated with such investment opportunities will be allocated to (or, depending on the nature of the payment, ultimately borne by) the applicable Fund(s), consistent with the allocation process described above.

As often required by a Fund's Governing Documents, the Adviser has in the past and is likely to continue to cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of the limited partner advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by the Adviser that cover one or more Funds, co-investment vehicles, and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the limited partner advisory committee and other indemnified parties). The Adviser



will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, co-investment vehicles, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. In the event such correction is made, it is likely that a different allocation would result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

### **Carried Interest Payments**

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

### **Brokerage Fees**

To the extent the Adviser utilizes the services of broker-dealers to effect portfolio transactions for a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to each Fund (except for Side-By-Side Co-Investment Vehicles and certain other co-investment vehicles), a portion of the profits, if any, of each such Fund generally is distributed to the Adviser as “carried interest” (the “Carried Interest”), pursuant to such Fund’s Governing Documents.

The payment by some, but not all, Funds of Carried Interest, or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund), may create an incentive for the Adviser to disproportionately allocate time, services, or functions to Funds paying Carried Interest (or Funds paying Carried Interest at a higher rate), or allocate investment opportunities to such Funds. Generally, and except as otherwise set forth in the Governing Documents, this conflict is mitigated, at least in part, by (i) certain limitations on the ability of the Adviser to establish new investment funds; (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously if they share an investment through contemporaneous initial investment; (iii) the existence of a Conflicts Committee to review allocation decisions, and/or (iv) contractual provisions and policies and procedures setting forth investment allocation requirements and considerations. In the case of Silver Lake Partners, Silver Lake Alpine and Silver Lake Long Term Capital, the Funds are expected to share integrated investment teams. Because there is likely to be some overlap between the mandates of these Funds, and employees who have a portion of the Carried Interest are likely to have different economic interests in one Fund than the other, this conflict may be more pronounced as between these Funds. The Adviser believes that the Allocation Policy (as described below in “Allocation of Investment Opportunities Between or Among Clients”) governing the allocation of investments between these Funds and the Conflicts Committee that will review allocation decisions will help to mitigate the impact of any such conflict. Additionally, the Adviser will devote such time as necessary to conduct the business affairs of each Fund in an appropriate manner. Please also see Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser, as well as Item 12 below regarding trade aggregation.

## **Item 7. Types of Clients**

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds and not individually to investors in such Fund.

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

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

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

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

The Adviser’s investment strategies are discussed in more detail below. The following descriptions are qualified in their entirety by reference to the Governing Documents and private placement memorandum of each Fund. Unless otherwise indicated, references below to a “Fund” or the “Funds” refer to those Funds that engage in the relevant strategy and not to all Funds generally; similarly, references to an “Adviser” refer to the Silver Lake advisory entity that engages in the relevant strategy, and not to the Adviser generally.

***Silver Lake Partners:*** The Funds of Silver Lake Partners (with approximately \$83.4 billion in assets under management (including committed but unfunded capital) as of December 31, 2021) primarily focus on investments in large scale companies within the technology, technology-enabled, and related growth industries. The Adviser intends to effect this strategy using a broad variety of investment types and transaction structures, as well as a wide range of investment securities. Transactions may take many forms, including but not limited to buyouts, spinouts, strategic investments, recapitalizations, turnarounds, restructurings, strategic toehold stakes, carveouts, acquisition financing, distressed securities, and structured securities. The Funds may invest in a number of different types of securities, including but not limited to common stock, preferred stock, debt, convertibles, options, warrants, and combinations thereof.

The Adviser’s ideal target company has most or all of the following criteria: (i) a sustainable business model with low disruption risk, (ii) recurring revenue and consistent business model, (iii) a market leader or significant relative market share, (iv) fewer new market entrants, (v) attractive return on invested capital with sustained differentiation, and (vi) unit economics that result in cash yield. The Funds invest in companies that the Adviser generally believes are important participants in a variety of sectors. The Funds’ investments vary with respect to size and structure. The Adviser generally expects to focus on companies with enterprise values ranging from approximately \$500 million to \$20 billion or greater. The Funds expect to primarily target investments that require equity commitments from the Funds ranging from approximately \$200 million to \$2 billion per

transaction (or series of transactions) or more, sometimes supplemented by third-party debt and/or co-investor capital, though the Adviser expects to make investments that require smaller equity commitments than this range as well, especially where the Adviser believes the investment has the opportunity to scale over time. The Funds maintain the flexibility to opportunistically pursue investment opportunities that require smaller equity commitments, including where the Adviser believes the investment opportunity has the potential to yield attractive risk-adjusted returns, provide strategic value or allow for additional equity commitments in the future. Certain of the Silver Lake Partners Funds and the Silver Lake Alpine Funds have a standing arrangement regarding allocation and investing together in certain investments pursuant to a fixed ratio.

***Silver Lake Alpine:*** The Silver Lake Alpine strategy is primarily to pursue opportunities targeting investments in non-control, downside protected, privately negotiated structured equity and credit securities in large-cap technology, technology-enabled, and related growth companies globally. Silver Lake Alpine's strategy focuses primarily on larger enterprises. Certain of the Silver Lake Partners Funds and the Silver Lake Alpine Funds have a standing arrangement regarding allocation and investing together in certain investments pursuant to a fixed ratio.

***Silver Lake Long Term Capital:*** The Silver Lake Long Term Capital strategy has a broad mandate to invest in, among other things, industries other than technology, technology-enabled and related growth industries, opportunities that do not otherwise fit any of the other Silver Lake Funds' investment mandates due to the size of the equity check involved, expected hold period or return profile, asset class, company stage or investment structure or that are otherwise prohibited by the investment guidelines of such other Silver Lake Funds, and other investment funds (including venture funds, real estate funds, infrastructure funds and other funds that do not generally compete with Silver Lake Funds currently in existence in any material respect). Silver Lake Long Term Capital will also invest in Side-by-Side Co-Investment Vehicles and occasionally direct co-investment with approvals as necessary or appropriate.

***Silver Lake Waterman:*** The Funds of Silver Lake Waterman primarily focus on making credit and credit-like investments in later-stage private technology, technology-enabled, and other growth companies. These privately negotiated investments generally have both debt and equity components, with downside protection, often a contractual return or a line of sight to returns based on the investment structure, as well as equity upside potential. Silver Lake Waterman Fund II, L.P. is (and previously Silver Lake Waterman Fund, L.P. was) a licensed small business investment company (an "SBIC") and participates in a longstanding public/private partnership with the U.S. Small Business Administration (the "SBA"). Silver Lake Waterman Fund II, L.P. is subject to the terms of the Small Business Investment Company Program (which is administered by the SBA) and has access to up to \$175 million of leverage (which collectively across Funds cannot exceed more than \$350 million of leverage) at a maximum 2:1 debt to equity ratio at rates that are fixed after draw for 10 years in poolings that take place twice a year. The SBA debt may be recycled throughout the Fund's investment period. Silver Lake Waterman has raised additional Funds, which utilize levered and unlevered limited partnerships, where the levered partnership may utilize a drop-down vehicle structure to form a wholly-owned subsidiary fund that may apply for an SBIC license through which it may apply for (but may not necessarily be granted) leverage from the SBA, and the unlevered partnership which will not apply for and is not expected to utilize leverage. Each Silver Lake Waterman fund has an Oversight Committee. The Oversight

Committee is composed of representatives of Silver Lake Technology Management and Silver Lake Waterman.

Silver Lake Waterman I and II Funds targeted investments typically between \$5 million and \$25 million per fund in later-stage private companies and similar investments in public companies, if it believed that the characteristics of the investments met the Funds' desired return and risk objectives. Silver Lake Waterman III is targeting investment sizes between \$10 million to \$75 million or more.

***Silver Lake Sumeru:*** The SLS Fund focused on private investments in middle-market companies within the technology, technology-enabled, and related growth industries. The Adviser implemented this strategy using a broad variety of investment types and transaction structures, as well as a wide range of investment securities. Transactions took many forms, including buyouts, spinouts, strategic investments, recapitalizations, turnarounds, restructurings, strategic toehold stakes, carveouts, acquisition financing, distressed securities, and structured securities. The Fund invested in a number of different types of securities, including common stock, preferred stock, debt, convertibles, options, warrants, and combinations thereof.

The SLS Fund is not making any new investments and Silver Lake Sumeru is in the process of finding liquidity for its remaining investment.

***Silver Lake Kraftwerk:*** The Silver Lake Kraftwerk Fund focused on providing growth equity capital to companies in the energy and resource sectors. Although investments varied with respect to size and structure, the Adviser expected primarily to make minority investments in equity and equity-linked securities of between \$20 million and \$75 million.

The Silver Lake Kraftwerk Fund is not making any new investments other than potential follow-on investments, and Silver Lake Kraftwerk is in the process of finding liquidity for its existing investments.

***Investment Approach of Silver Lake Partners, Silver Lake Alpine, Silver Lake Long Term Capital, Silver Lake Waterman, Silver Lake Sumeru, and Silver Lake Kraftwerk:***

The general investment strategy and approach of Silver Lake Partners, Silver Lake Alpine, Silver Lake Long Term Capital and Silver Lake Waterman is (and for Silver Lake Sumeru and Silver Lake Kraftwerk, was) to (i) apply deep industry sector expertise, (ii) focus on attractive business models and/or companies with core advantages, (iii) invest in growth, (iv) conduct tailored due diligence, (v) add value to portfolio companies (to a greater or lesser degree depending on the strategy), and (vi) leverage the Silver Lake organization and investment platform.

***Apply Deep Industry Sector Expertise***

The Adviser believes that specialization is particularly critical within technology, since technology investing requires understanding of the associated technology, familiarity with industry-specific business models, relationships, and credibility within the sector. Moreover, technology companies regularly face crucial operating decisions relating to revenue generation, supply chain management, and technological change. When sourcing transactions, the Adviser (i) utilizes its extensive network of relationships with industry executives and advisors to generate unique and

proprietary investment opportunities and (ii) employs its sector understanding and risk assessment to devise investment formats and capital structures it believes are appropriate for the company's business plan. The Adviser structures its investments to enable investment in growth that, even if implying more conservative capital structures in certain cases, can lead to superior returns and exit alternatives. When executing transactions, the Adviser will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment (including the nature of the security, the size of the Fund's proposed investment and deal dynamics). When managing investments, to a greater or lesser degree depending on the strategy and where appropriate and proportionate to the nature of its investment, the Adviser often assists technology executives with the value creation process by serving as an active investor and in many instances by deploying an Operating Team where applicable to the Fund's strategy (described below). Finally, when realizing investments, the Adviser uses its knowledge of technology trends, competitive landscapes, and the public and private markets to determine the timing and mode of exit, including identifying potential strategic partners for portfolio companies.

#### *Focus on Attractive Business Models and/or Companies with Core Advantages*

The Adviser focuses on well-positioned companies within the technology, technology-enabled and related growth industries. In the technology industry, market leaders often achieve better growth and profitability than less well-positioned competitors. Market leaders often are also able to sustain their businesses and grow market share during cyclical economic downturns. Moreover, leaders help to define industry standards, benefit as customers consolidate spending, and enjoy economies of scale that bolster margins and returns. The Funds often focus on market leading businesses and companies vying for leadership. The Funds also evaluate investments in companies that are undergoing financial distress or operational challenges but whose underlying technologies or business models form a foundation for potential future growth or leadership. Distressed companies usually are characterized by poor financial performance, impaired credits, or non-operating issues such as legal and regulatory challenges. However, these companies sometimes have strong customer bases or differentiated offerings that can be revitalized in connection with an investment.

#### *Invest in Growth*

The Adviser seeks to invest in companies that possess not only established business models and sustainable competitive advantages, but also revenue and profit growth opportunities. The Adviser targets companies whose core businesses support "base case" returns but whose embedded growth potential can generate significant upside, or persistent "alpha" that enhances exit prospects and can lead to outsized returns. The Adviser has observed that many leading technology companies, unlike many companies in other sectors, enjoy both established business and significant growth opportunities that result from sector-wide growth and dynamism. The Adviser seeks to identify companies with core business and growth prospects that are potentially undervalued by the public and private capital markets.

#### *Conduct Tailored Due Diligence*

The Adviser's due diligence process follows a methodology, as applicable to a greater or lesser degree depending on the individual strategies and the particular investment, that generally includes

(i) evaluating the addressable market opportunity and the ability to compete, (ii) assessing management, (iii) evaluating underlying technology and customer satisfaction, (iv) identifying value drivers, (v) creating a fully articulated bottom-up business model, and (vi) building a “Value Creation Plan.” These elements are not listed in order of priority or importance. The Adviser’s mission is to function as a value-added partner to the management teams of technology companies competing for market leadership. Therefore, assessing the management team is a critical first step in any due diligence process. Second, the Adviser evaluates underlying technology, which often includes customer satisfaction. Third, the Adviser identifies value drivers, which are formed through a combination of company-specific due diligence investigations and the Adviser’s insights into the broader industry. Fourth, the Adviser creates a fully articulated bottom-up business model that crystallizes the business plan and translates it into projected financials and investment returns. This process also helps the Adviser to design appropriate investment formats and capital structures. Finally, in partnership with management and based on due diligence findings, the Adviser generally helps to formulate a Value Creation Plan for improving the business (to a greater or lesser degree depending on the strategy or investment). Individual strategies will often prioritize certain aspects of diligence in accordance with such strategy’s focus and investment mandates.

Competition for investment opportunities is increasingly mounting, and speed to execution and relationship dynamics with the management team can be decisive factors in being selected to make an investment. This time pressure or other dynamics of competition may reduce the opportunity for a Fund to conduct due diligence, increasing the risks with respect to due diligence discussed herein. In certain cases, the general partner and/or the Adviser may not conduct its standard level of due diligence with respect to a particular prospective portfolio company, including where the Adviser believes that such level of due diligence is either not possible or not practicable given the circumstances of the proposed portfolio company (such as where a Fund is making a minority investment and/or where the window of opportunity is short and the demand by other investors is high). In such circumstances, there is therefore a shorter, truncated due diligence process, a smaller deal team from the Adviser and/or a more informal investment committee process than another investment would typically entail. As a result of any or all of these circumstances, due diligence investigation that the general partner and/or the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, or may have been discovered with a more fulsome process, especially when there is a compressed diligence timeframe and / or heightened competition for an investment, where there may be limited publicly available information with respect to a particular company or its executives, where because of the size or other aspects of an investment limited information is made available to the Fund by the prospective portfolio company, or in circumstances where all or a portion of such due diligence is conducted remotely.

#### *Add Value to Portfolio Companies*

Supplementing the Adviser’s focus on value creation, the Adviser established an internal “Operating Team” that is dedicated to effecting operational improvements in its portfolio companies. The Operating Team is specifically focused on helping existing and future portfolio companies in the Silver Lake Partners and Silver Lake Alpine portfolio identify and create business improvement opportunities, and may also provide a benefit to Silver Lake Long Term Capital, either directly or indirectly through its investments in certain Silver Lake Partners and Silver Lake Alpine Funds (and at the expense of such Funds). It may be difficult to distinguish services

provided by the Operating Team from the investment advisory services provided to the Funds by the Adviser and its affiliates. A number of senior advisors and special advisors to the Adviser also complement the efforts of the Operating Team, see “*Outside Support Providers*”, and these senior advisors and special advisors, while not employees, members, personnel, or affiliates of the Adviser, are independent leading professionals who have a strategic relationship with the Adviser and are available to provide valuable advice and services to the Adviser and its portfolio companies.

### *Leverage the Silver Lake Organization and Investment Platform*

Since its inception, Silver Lake has continuously strived to improve its investment processes and its strategy. Silver Lake has also continued to strengthen and broaden its capabilities. Enhancements over time have included: growing the number of investment and value creation professionals to 118; broadening its global presence by opening offices in London, Hong Kong and Singapore; forming a dedicated Operating Team to assist portfolio companies; and significantly augmenting its professional staff in finance, legal, compliance, communications, investor relations, government relations, ESG and other administrative functions. Many synergies exist within Silver Lake’s investment platform: improved deal flow across all Funds; expansive and deep industry expertise and insight; extensive relationships; rigorous investment processes; proven investment judgment; and the benefits from shared operations. As a result, the Adviser intends for the Funds to benefit from Silver Lake’s established investment platform and market leadership.

### Additional Notes about Silver Lake Alpine’s Investment Approach:

#### *Flexible, Non-Controlling Investments*

While Silver Lake Alpine will generally not seek to make controlling investments, the Adviser expects to have an active role with the management teams and boards of portfolio companies as a result of Silver Lake Alpine’s investments, and the Adviser ordinarily will not target investments resulting in passive tranche participation, though such passive participation may occur from time to time. Silver Lake Alpine will largely focus on downside-protected, non-control deals in privately negotiated instruments including preferred equity, convertible preferred equity, convertible bonds, junior and senior debt, and other loans and subordinated instruments. These opportunities may arise in connection with growth financings, strategic mergers and acquisitions, recapitalizations, leveraged buyouts, and other corporate transactions. The Adviser believes that Silver Lake Alpine’s flexible investment program will allow it to selectively structure investments in target companies to include some form of downside protection greater than common equity, which is intended to mitigate the risk of capital loss.

#### *Investment Sourcing and Format*

Silver Lake Alpine is expected to pursue investments which meet its risk/return objectives, or at times investments that have been first evaluated by another Fund. From time to time, Silver Lake Alpine has in the past invested, and will likely in the future invest, in transactions involving or considered by Silver Lake Partners. Additionally, certain of the Silver Lake Partners Funds and

the Silver Lake Alpine Funds have a standing arrangement regarding allocation and investing together in certain investments pursuant to a fixed ratio.

Additional Notes about Silver Lake Waterman's Investment Approach:

Silver Lake Waterman Fund II, L.P. ("SLW II") is (and previously Silver Lake Waterman Fund, L.P. ("SLW I")) was) a licensed SBIC and participates in a longstanding public/private partnership with the SBA. Silver Lake Waterman Fund III, L.P. will not seek to engage in such a partnership, and its affiliated fund, Silver Lake Waterman Fund III-L, L.P. (together with Silver Lake Waterman Fund III, L.P. "SLW III"), has applied for but has yet to obtain an SBIC license. As a result, and as disclosed to investors, the investments made by SLW III may not be comparable with the investments made by SLW I or SLW II. Additionally, SLW I's and SLW II's investment objectives, guidelines and structure were driven, in part, by the SBA program's rules and investment framework, whereas SLW III intends to, and has, broadened its investments to make structured equity investments and standalone direct equity investments. These direct equity investments have and may be made either in Portfolio Companies in which Fund III holds existing investments or on a standalone basis. Equity investments have the potential to enhance returns, but there can be no assurance that the Fund's equity investments will be successful. Equity investments are inherently more risky than debt investments, more volatile, more difficult to realize, and therefore raise the risk of investing in the Fund for limited partners and may cause the Fund to incur losses.

*Focus on Later-Stage Growth Companies*

The Adviser believes that later-stage growth companies are attractive targets for credit and credit-like investments because companies with an established core business, a track record of growth, and significant opportunities for continued expansion will find the Adviser's flexible financing compelling, as it can be less dilutive and relatively straightforward to integrate into existing capital structures. The Adviser will specifically focus on finding companies that generally meet any combination of the following criteria, in its view: (i) demonstrated scale, typically between \$10 million to \$75 million or more in revenue; (ii) efficient growth; (iii) a predictable and sustainable business model; (iv) a defensible market position; (v) a strategic product with high levels of customer satisfaction; (vi) a strong and stable management team; and (vii) an engaged board of directors. The Adviser has built, or presently intends to build, and manage a portfolio for each Fund of 25-50 companies over the life of these Funds with these types of characteristics, diversified across sectors within the technology, technology-enabled, and other growth industries.

*Seek to Protect the Funds' Principal*

The Adviser is focused on protecting the principal of its investments and as such, investments may have enterprise value coverage, contractual interest payments, dividends and/or liquidation preferences that can protect the principal and/or create current income or capital appreciation for the Funds. The Adviser intends to invest in companies with enterprise value significantly greater than the Funds' investment exposure. In general, the Adviser seeks to be covered by enterprise value that is at least two times the value of the Fund's mezzanine investments. Additionally, the Adviser generally has either invested in companies on a secured basis where the Funds have generally a second secured lien behind a limited amount of commercial financing against all or



substantially all of the assets of a business, or preferred equity investments that are senior to common equity. The Adviser intends to utilize a rigorous and thorough due diligence process to make underwriting decisions, modeled after Silver Lake's comprehensive processes. When assessing business models and management teams, the Adviser will use its extensive experience and relationships to understand not only the long-term value drivers in a business, but also the management depth, investor syndicate, and overall team stability.

## **Risks**

### **Risks Applicable to All Funds**

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

*In addition, material risks relating generally to all of the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for all of the Funds, include the following:*

***Concentration of Investments in a Single Industry:*** The Funds are expected to have a large concentration of portfolio companies in a single industry or sector, namely technology. Concentration in a single industry involves risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. The industry in which the Funds invest is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products, and evolving global trade regulations and restrictions. The Funds' portfolio companies will compete in this volatile environment. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services (which risk is heightened when investing in technology or tech-enabled companies) or that the portfolio companies will not be adversely affected by other challenges including from the global macro environment. Instability, fluctuation, or an overall decline within a single industry or sector will likely not be balanced by investments in other industries not so affected. In the event that such industries or sectors as a whole decline, returns to limited partners are likely to decrease.

***Risk in Effecting Operating Improvements:*** In some cases, the success of a Fund's investment strategies will depend, in part, on the ability and the effectiveness of the Adviser's efforts to improve the operating performance of portfolio companies following investments. Initiatives that may need to be taken in an effort to achieve improvements in operating performance include, among others, introductions of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in manufacturing, overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the general partner and the Adviser, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio

companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment may lead to losses or poor returns on investments. There is no assurance that a portfolio company's management team will undertake requisite improvements or that cash flow and reserves from operations will be adequate to meet costs of such improvements. In these circumstances, the Funds may be required to provide additional funding for such improvements and may be adversely affected thereby as a result of such decrease in available capital to invest.

***General Economic and Market Conditions:*** The technology sector generally and the success of the Funds' investment activities in particular will both be affected by general economic and market conditions, as well as by changes in applicable laws, trade barriers, currency exchange controls, and national and international political and socioeconomic circumstances in respect of the countries in which the Funds may invest. These factors affect the level and volatility of securities prices and the liquidity of the Funds' portfolio investments, which could impair the Funds' profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates affect the Funds' investment opportunities and the value of the Funds' portfolio investments. For example, high market valuations (whether temporary or prolonged) could disproportionately impact the value of the Funds' unrealized portfolio investments. The Adviser's financial condition may be adversely affected by a significant economic downturn, and it is subject to legal, regulatory, reputational, and other unforeseen risks that could have a material adverse effect on the Adviser's businesses and operations (including those of the Funds). A sustained downturn in the U.S. or global economy (or any particular segment thereof) will have a pronounced impact on the Funds and could adversely affect the Funds' profitability, impede the ability of the Funds' portfolio companies to perform under or refinance their existing obligations, and impair the Funds' ability to effectively deploy its capital or realize portfolio investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

***Russian Invasion of Ukraine.*** Starting in February 2022, in response to Russia's invasion of Ukraine, the United States, the United Kingdom, the European Union and many other nations announced extensive sanctions, embargos and trade restrictions against Russia. This invasion and the responsive measures could have a negative impact on the economy and business activity globally (including in the countries in which the Funds may invest or have portfolio companies which themselves do business in those countries), and therefore could adversely affect the performance of the Funds' investments. Furthermore, the conflict between the nations, the varying involvement of the U.S. and other NATO countries and the need to comply with sanctions and other trade restrictions preclude prediction as to the ultimate adverse impact of these events on global economic and market conditions, and, as a result, present material uncertainty and risk with respect to the Funds and the performance of their investments and operations, and the ability of the Funds to achieve their investment objectives.

***Coronavirus and Public Health Emergencies:*** The global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy

and markets. COVID-19 (and the emergence of several variants thereof) has and is expected to continue to have ongoing material adverse effects across many aspects of the regional, national and global economy. Furthermore, the Adviser's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives and the Adviser's business and to satisfy its obligations to the Funds, their investors, and pursuant to applicable law, has been, and may continue to be, impaired. The spread of COVID-19 among the Adviser's personnel and its service providers would also significantly affect the Adviser's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which in an extreme scenario could result in a temporary or permanent suspension of a Fund's investment activities or operations. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

Any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Fund and its portfolio companies, and could meaningfully adversely affect a Fund's ability to fulfill its investment objectives.

The COVID-19 pandemic did materially impact certain of the Fund's investments and the industries in which they operate and certain of those impacts continue. The extent of the impact of any public health emergency on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19, among other factors, has contributed, and may continue to contribute, to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints and related chip shortages may not fully be reflected until future periods and may have an adverse impact on the Funds and their portfolio companies in the future even if COVID-19 is not as prevalent in the public.

The effects of a public health emergency may negatively impact the value and performance of a Fund's portfolio companies, a Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and a Fund's ability to achieve its investment objectives, all of which could result in significant losses to a Fund. Any such disruptions may continue for an extended period of time. The full impacts of this pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in economic and fiscal policies that may be adopted to address the current pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood and the situation continues to evolve. In implementing the Funds' investment strategy, the Adviser will make a number of assumptions, including as to the

severity of the consequences of COVID-19 to the U.S. and global economies as well as prospective portfolio companies, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of this or any other pandemic on economies and specific portfolio companies, may be detrimental to the Funds and their portfolio investments. In addition, the operations of a Fund, its portfolio companies, and the Adviser may be significantly impacted, or even temporarily or permanently halted (as is already the case with certain businesses within the Fund's portfolio), as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and may continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, a Fund is expected to incur heightened legal expenses which could similarly have an adverse impact to a Fund's returns. For example, but not by limitation, a Fund or its portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by a Fund and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Fund or its portfolio companies in the form of economic harm, data loss or other negative outcomes.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines (some for emergency use only) and these vaccines are currently available to the general public in the United States and in some non-U.S. jurisdictions, due to limited supply, they are not yet widely available to the general public in many other jurisdictions. To date, a substantial proportion of the population has chosen to "wait and see" before getting vaccinated (or receiving a booster), which is believed to be prolonging the effects of COVID-19. In addition, the vaccines have been found to be less than 100 percent effective, which means a portion of the population that receives such vaccinations may not be protected against the disease. Furthermore, such vaccines have shown reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. Other jurisdictions are encountering similar issues with respect to COVID-19 vaccines. COVID-19 is likely to continue to affect the economy generally, and the pandemic and/or its economic impact may affect the Funds and the Funds' ability to achieve their investment objectives to a degree that is not currently known, given the situation continues to evolve.

As a result of a public health emergency like the COVID-19 pandemic, the Adviser has determined in the past, and may in the future determine, in its discretion, that it is most effective and/or efficient to use private air due to travel restrictions and/or health and safety considerations, including to and from locations where Adviser Personnel are currently living (even if different than where Silver Lake has historically had offices). The cost of such private air travel shall be an expense of the Funds, consistent with a Fund's Governing Documents. The Adviser also may determine to use alternative methods, including the use of technology, when sourcing and conducting diligence on potential portfolio investments and monitoring of existing portfolio investments.

***Financial Market Fluctuations:*** Turmoil such as that experienced by the U.S. and global financial markets as a result of the ongoing COVID-19 pandemic, and such as markets endured during the global financial crisis of 2008, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. Lending and the global credit markets may experience substantial volatility, disruption, liquidity shortages and to some extent financial instability. Global financial markets in the past have experienced considerable and prolonged declines in the valuations of equity and debt securities and periodic acute contraction in the availability of credit. These financial market fluctuations may adversely affect the value of a Fund's investments and/or increase the risks associated inherent in a Fund's investments. The ability of companies, businesses, projects or assets to refinance debt securities depends on their ability to obtain financing, including by selling new securities in the high-yield debt or bank financing markets. At times during the life of a Fund, the state of global credit markets, when coupled with uncertainty of the global financial system generally, may make it significantly more difficult to obtain favorable financing terms for its investments. There can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of a Fund's portfolio companies (including with respect to performing under or refinancing their existing obligations), its access to capital or leverage, its ability to effectively deploy its capital or realize investments on favorable terms or its overall performance.

Furthermore, market conditions may unfavorably impact a Fund's ability to secure leverage on terms as favorable as more established borrowers in the market, or as those terms obtained during better market conditions or to obtain any leverage on commercially feasible terms. To the extent a Fund is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the partial financing of investments with indebtedness more expensive and could limit such Fund's ability to structure and consummate its investments. A Fund's investment strategy and the availability of opportunities satisfying a Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast, or predict future events, and, in any event, past performance is not indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Adviser will prove correct, and actual events and circumstances may vary significantly.

***Inflation:*** Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a portfolio company of the Funds is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but may incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There are some indications that the global economy is beginning to experience inflation with respect to certain goods and services. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact

on the Funds and their portfolio companies and could meaningfully adversely affect the Funds' returns and their ability to fulfill their investment objectives.

***Leverage:*** The Funds intend to utilize leverage directly and indirectly. The use of leverage will increase the volatility of a Fund. While the use of borrowed funds will increase returns if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage will decrease returns if a Fund fails to earn as much on such incremental investments as it pays for such funds or will magnify a loss in the event the investment does not succeed as anticipated. The effect of leverage may therefore result in a greater decrease in the net asset value of a Fund than if the Fund were not so leveraged.

In certain situations, more than one investment purchased by a Fund with the use of leverage may be held with the same bank, custodian or dealer. In such instances, these multiple leveraged investments may be linked and used to "cross-collateralize" the borrowings of the Fund. Because such investments may be "cross-collateralized", a Fund could experience concurrent liquidation on multiple investments to satisfy its borrowing obligations. Limited partners may also have an interest in certain portfolio companies that is disproportionate to their exposure to leverage through cross-collateralization on other portfolio companies. For example, if a limited partner is excused or excluded from an investment in a portfolio company, through cross-collateralization, they may nevertheless be indirectly exposed to risks associated with leverage on portfolio companies in which they are not invested and distributions from unrelated portfolio companies may be used to satisfy obligations with respect to such portfolio company, in which case limited partners without exposure to such investment may receive such proceeds later than they otherwise would have, in a reduced amount, or not at all.

***Credit Facilities and Lines of Credit:*** The Adviser in the past has obtained, and may again in the future obtain, one or more revolving or other credit facilities which are secured by the capital commitments of the investors of the Funds, and could be secured by other assets of the Funds as well. Such Fund or Funds are permitted to, and do, use such credit facilities to cover Fund expenses or Advisory Fees, provide interim financing for an investment in anticipation of the receipt of permanent financing or capital contributions or distributions, or fund some or all of the capital necessary for certain investments in accordance with a Fund's Governing Documents if the Adviser determines that such leverage is desirable in light of the investment objectives of a Fund (and while the Adviser currently expects that such borrowings will generally be interim in nature, asset level leverage (as opposed to interim financing), will not be subject to any limitations regarding the length of time such leverage may remain outstanding under the Governing Documents of the applicable Fund). In the event of a failure to pay or other event of default under any such credit facility, the lenders could require investors to fund capital contributions to repay the remaining obligations of the facility up to their entire remaining unpaid capital commitments. In addition, in the event that the lenders require investors whose capital commitments have been pledged to fund their capital commitment to repay indebtedness in connection with an exercise of remedies following an event of default, the failure of certain of those investors to honor their capital commitments, which results in the investor being in default under the Fund's Governing Documents, could result in the remaining investors' repayment obligations exceeding their pro rata share of the indebtedness. In addition, such borrowings may limit the investors' ability to use their interests in a Fund as collateral for other indebtedness.

Required repayments of debt and related interest can adversely affect a Fund's operating performance. Certain of the Funds, including but not limited to Silver Lake Partners V, L.P. ("SLP V"), Silver Lake Partners VI, L.P. ("SLP VI"), Silver Lake Partners VII, L.P. ("SLP VII"), Silver Lake Alpine, L.P. ("SLA I") and Silver Lake Alpine II, L.P. ("SLA II", together with SLA I and any successor funds, the "SLA Funds") already have, or are expected to have, significant credit facilities as well as holding and operating company debt (for which such Silver Lake Funds have in the past provided a guarantee or equity support agreement), each of which may be subject to these various risks. A Fund may also incur additional debt in connection with future acquisitions of investments by the Fund's portfolio companies. A Fund, in some instances, may borrow under its existing credit facility or borrow new funds to finance the acquisition of new investments. In addition, a Fund may incur or increase its leverage by obtaining loans secured by a portfolio of some or all of the interests in portfolio companies acquired by the Fund. In the event that a Fund is unable to repay any credit facility borrowings from its cash flows, the Fund may be required to dispose of an investment to repay the lender(s). If a Fund is required to dispose of an investment in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition, if any, as it would receive in connection with an orderly disposition. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which interest will begin accruing when the applicable facility is drawn. In light of the foregoing, the general partner of a Fund has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments.

Furthermore, the Funds' credit facilities may contain customary restrictions, requirements and other limitations on a Fund's ability to incur indebtedness, including customary financial covenants and asset-level covenants in the case of non-recourse financing. A Fund's ability to borrow under its credit facilities and, in certain cases, its ability to respond to changes in the performance of its investments are subject to these financial and other covenants. A Fund may also have to pay break funding costs or prepayment premiums if it satisfies a debt fully or partially within a certain period of incurring the debt. A Fund may be limited in its ability to respond to changing operational circumstances with respect to an investment in ways it would have done had it not been subject to asset-level covenants.

It is expected that the costs to limited partners relating to the maintenance and/or use of a subscription line of credit, including relating to the drawdown on that line of credit, will be significant and there can be no guarantee that the benefit to limited partners from a Fund using a line of credit will be commensurate with the costs. Where a line of credit is used for longer term financing needs, capital calls are expected to occur less frequently and as a result may require larger capital calls than might be the case without use of the line, and such larger capital calls could lead to an increased risk of limited partner default.

To the extent that a Fund co-invests with any vehicles managed or controlled by Silver Lake, including any other Silver Lake Funds, vehicles and accounts (including vehicles formed to permit Silver Lake professionals to co-invest alongside a Fund), such Fund may incur indebtedness and guarantee obligations together with such vehicles on a joint and several or cross-collateralized basis (which may be on an investment-by-investment or portfolio-wide basis). While such arrangements may be joint and several with respect to the applicable Fund, such arrangements may

not necessarily impose reciprocal joint and several obligations on such vehicles. Moreover, a Fund could also lose its interests in performing investments in the event such performing investments are cross-collateralized with poorly performing or non-performing investments, including investments in other Funds vehicles.

***Preferred Financing:*** In addition to secured financing arrangements, a Fund may in the future employ preferred financing arrangements or margin loans with respect to some or all of the investments of such Fund. In such arrangements, a third party typically provides cash liquidity in exchange for the right to receive a return of such amount plus a preferred return thereon prior to the return of any additional proceeds to such Fund. Subject to the express terms of the Fund's Governing Documents, such arrangements could be employed to provide for additional capital for new or follow-on investments by such Fund. These arrangements could result in the Fund receiving a lower overall return of distributions than it would otherwise have received if, for example, an investment is held for a long period of time, resulting in a compounding preferred return in favor of the third-party financing provider, or where the proceeds of the financing are reinvested in investments that do not perform as well as the original investments that were subject to the financing arrangement. Such secured financing arrangements will not be treated as borrowings incurred by the Fund for purposes of determining such Fund's compliance with the limitations on borrowings set forth in its Governing Documents. To the extent a margin loan is entered into on behalf of both such Fund and a co-investment vehicle on a cross-collateralized basis, in the event of a margin call, the Fund and such co-investment vehicle will be obligated to contribute additional capital in connection with the investment in order to avoid a default on the margin loan. Because co-investment vehicles frequently have limited or no remaining unused capital commitments, co-investors may have an option (but not an obligation) to increase their capital commitment to fund their share of such margin call, and in the event that one or more co-investors decline to do so, the Fund is expected to be liable for such amounts. Because margin calls are most likely to occur at times when the underlying investment has declined in value, the likelihood that co-investors elect not to fund their share of such margin call is greater than in the case of ordinary course follow-on investments, and the Fund's exposure to further decreases in value of the related investment may be higher as a result.

***Valuation of Assets:*** There is no actively traded market for many of the securities owned by the Funds. When estimating fair value, a methodology is applied in light of the nature, facts, and circumstances of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available, or valuing securities in times of great market volatility such as in the current market environment, is based on inherent uncertainties and subjective judgments, and the resulting values will likely differ from values that would have been determined had an active market existed for such securities, or had there been less market volatility, and will likely or may differ from the prices at which such securities may ultimately be sold. The Adviser has engaged an independent third-party valuation firm to provide valuation services for the majority of the securities owned by the Funds, which the Adviser believes may mitigate any potential conflicts of interest that may arise from the fact that valuations impact the Adviser's track record.



***Potential Illiquidity of Fund Investments:*** The market value of the Funds' investments will fluctuate with, among other things, changes in market rates of interest, general economic conditions and economic conditions in particular industries, the condition of financial markets, and the financial condition of the issuers of the Funds' investments. In addition, the lack of an established, liquid secondary market for some of the Funds' investments would likely have an adverse effect on the market value of the Funds' investments and on the Funds' ability to dispose of them. Additionally, the Funds' investments may be subject to certain transfer restrictions that, in such cases, would likely also contribute to illiquidity. Therefore, no assurance can be given that, if a Fund is determined to dispose of a particular investment held by the Fund, it could dispose of such investment at the prevailing market price, if at all. Such illiquidity would likely adversely affect the price and timing of liquidation of the Fund's investments.

Some of a Funds' investments may (and often do) consist of securities that are subject to restrictions on resale by the Fund because they were acquired in a "private placement" transaction or because the Fund is deemed to be an affiliate of the issuer of such securities. Generally, a Fund will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act (and in either case, the sale may be subject to a discount relative to what might have been obtained absent any such restriction). When restricted securities are sold to the public, a Fund may be deemed to be an underwriter or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under the Securities Act.

***Projections:*** Projected operating results of a company on which the Advisers may, in part, base the Funds' investment decisions normally will rely on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections, especially in times of market dislocation or upheaval. While the Adviser has used, and will continue to use, its good faith judgment based on information available at the time to make these projections, there can be no guarantee that the assumptions will prove to be correct with the benefit of hindsight.

***No Assurance of Investment Return:*** None of the Funds, the Advisers, and their respective affiliates can provide any assurance whatsoever that a Fund will be successful in choosing, making, and realizing investments in any particular company or portfolio of companies. There is no assurance that a Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any limited partner will receive any distributions from a Fund. Accordingly, an investment in a Fund should only be considered by persons for whom a speculative, illiquid, and long-term investment is an appropriate component of a larger investment program and who can afford a loss of their entire investment. Past performance of investment entities associated with Silver Lake and its affiliates is not indicative of future results. There can be no assurance that a Fund will achieve its investment objectives or that performance objectives of the Fund will be achieved.

***Investments in Levered Companies:*** While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. A Fund's investments may involve varying degrees of leverage, as a result of which recessions, operating problems, and other general business and economic risks (as well as particular risks associated with investing in technology companies described above) would likely have a more pronounced effect on the profitability or survival of such companies. In addition, this leverage could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. Moreover, any rise in interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in the portfolio company.

***Risk of Limited Number of Investments; Dependence on Performance of Certain Investments:*** The Funds may participate in a limited number of investments and, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of any single portfolio investment or a small number of portfolio investments. Moreover, since all of a Fund's investments cannot reasonably be expected to perform well, or even return capital, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There can be no assurance that this will be the case. In addition, other than as set forth in a Fund's Governing Documents, investors have no assurance as to the degree of diversification of the Fund's portfolio investments, either by geographic region or asset type. To the extent a Fund concentrates investments in a particular issuer, industry, security, or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic, political, geopolitical, regulatory, technological, industry and/or business conditions with respect thereto.

***Highly Competitive Market for Investment Opportunities:*** The activity of identifying, completing, and realizing attractive investments that fall within a Fund's investment objective is highly competitive, involves a high degree of uncertainty and generally will be subject to market conditions. The Funds will be competing for investments with other private investment vehicles, as well as individuals, companies, financial institutions, pension funds, sovereign wealth funds and other investors. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many such existing funds have grown in size), including a growing number that focus heavily on the technology sector. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Competition for appropriate investment opportunities has increased in the past and may continue to increase in the future, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Participation in auctions will also increase the pressure on the Fund with respect to pricing of a transaction. Moreover, the Funds will incur bid, due diligence, or other costs on investments which may not be successful. As a result, a Fund may not recover all of its costs, which would adversely affect returns. Additionally, competition for investment opportunities from other investment vehicles has increased on a global scale. Private equity and other funds, whether located in Europe, Asia or other emerging market regions, are making global competition increasingly intense. While the Adviser has offices in certain locations outside of the U.S., there can be no assurance that such

offices will provide for a local footprint that equals the resources available to funds that are headquartered in such non-U.S. jurisdictions or have a larger presence in such jurisdictions. The addition of new non-U.S. sponsors to the market, as well as any reductions or changes in staffing or closing of any non-U.S. offices by the Adviser could intensify this effect. As a result of this competitive environment, there can be no assurance that a Fund will be able to locate, complete, and exit investments which satisfy the Fund's investment objective, or realize upon their values, or that it will be able to invest fully its committed capital.

***Minority Investments; Investments with Third Parties:*** The Funds have in the past invested, and are expected in the future to invest, in minority positions of companies and in companies for which the Funds have no right to appoint a director or otherwise exert significant influence or protect their position. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds are not affiliated and whose interests may not fully align with, or could conflict with, the interests of the Funds.

The Funds may co-invest with third parties through joint ventures or other entities. Any such co-investment may occur at the time of such third party's investment or after such third party has already invested and such interests may be acquired via primary or secondary transactions. Such investments involve risks in connection with such third-party involvement, including the increased possibility of default resulting from diminished liquidity or insolvency of such third party (including where due to a sustained or general economic downturn) or the possibility that a third-party co-venturer may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of their third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Transactions completed in partnership with other sponsors generally entail a reduced level of control by the Funds over the investment because governance rights (if any) are often shared with the other participating sponsors. Accordingly, the Funds may not be able to control decisions relating to a shared investment, including the timing and nature of any exit. Furthermore, if a co-venturer defaults on its funding obligations, the Funds may be required to make up the shortfall. Portfolio investments made with third parties through shared participation of private equity investors, partnerships, joint ventures or other similar arrangements may involve incentive compensation and/ or other fees payable to such third-party partners or co-venturers.

***Investments Longer than Term:*** A Fund expects to make investments that may not be advantageously disposed of prior to the date that such Fund will be dissolved, either by expiration of such Fund's term or otherwise. Although the general partner of such Fund expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution as the general partner has a limited ability to extend the term of a Fund, such Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution, and possibly at a disadvantageous price, or, as has occurred in the past, seek to

transfer or sell such investment to a Fund. Additionally, the general partner may make follow-on investments or capital calls for expenses and/or borrowings after the expiration of a Fund's term and/or may delay liquidation of a Fund's portfolio investments if the general partner determines that such decisions would better maximize the value of the Fund's investments, or, as occurred in the past, a later Fund may make such follow-on investment (as a new investment for the later Fund) in lieu of the original Fund making such a follow-on investment. In addition, although upon the dissolution of a Fund its general partner is generally required to use reasonable efforts to reduce to cash and cash equivalents the assets of such Fund (as the general partner shall deem it advisable to sell, subject to obtaining fair market value for such assets and any tax or other legal considerations), there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the limited partners of such Fund will occur.

***Intellectual Property:*** Companies in the technology, technology-enabled, and other growth industries are often highly dependent upon intellectual property. Accordingly, an investment in a Fund involves a higher level of risks than an investment that is diversified across sectors that are less dependent upon intellectual property value. A Fund may be dependent upon the value of its portfolio companies' intellectual property. Portfolio companies may incur substantial costs to protect intellectual property, including litigation to enforce intellectual property rights and defend against intellectual property violation claims from other companies. Litigation involves a high degree of uncertainty. If the portfolio companies are unable to protect the value of their intellectual property or are found to violate other companies' intellectual property rights, or incur substantial legal costs, the value of the portfolio investments could be materially impaired, and a Fund could incur losses. Given the continual change in the technology industry, including, but not limited to, increased user-generated content, extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents, portfolio companies in the technology, technology-enabled and related growth industries have an increased risk of third parties claiming such portfolio company has infringed on their intellectual property rights. Such claims with respect to a portfolio company, if alleged, could result in protracted litigation and related expenses and may ultimately lead to liquidated damages and/or injunctive relief that could impact the operations and profitability of such portfolio company.

***Software Code Protection:*** Source code may comprise a critical component of the assets and operations of a portfolio company of the Funds. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. Such disclosure could make it easier for third parties to compete with such portfolio company's products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., power failures, viruses, worms and other malicious software programs that may attack a portfolio company's products and services). The consequences of any unauthorized disclosure of source code or the occurrence of a cyber-security breach, may include, among other things, litigation and/or governmental investigations, reputational damage and loss of market share and repairing system damage that may have been caused. Remediation costs may also include incentives offered to such portfolio company's customers or other business partners in an effort to maintain the business relationships after a security breach.

***Investment in Restructurings:*** Certain Funds may make investments in restructurings, or previous investments may become subject to restructurings, which in each case may involve portfolio companies that are experiencing, or are expected to experience, severe financial difficulties, which may never be overcome and may cause a portfolio company to become subject to bankruptcy proceedings. Portfolio companies experiencing financial distress may have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage that require servicing. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities, which may exceed the value of a Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor to obtain an inequitable benefit may have its claims subordinated, or disallowed, or may be found liable for damages suffered by parties as a result of such actions. Portfolio companies experiencing financial distress may have greater potential legal exposure including to potential litigation against the company and/or its officers and directors, which would contribute to increased expenses in the nature of defense costs or otherwise. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to the limited partners may be reclaimed if any such payments or distributions are later determined to have been a fraudulent conveyance or a preferential payment or a similar transaction under applicable bankruptcy and insolvency laws (including under applicable laws of the jurisdictions through which a Fund will invest). This risk is amplified where a Fund has governance rights, as board members may be subject to additional investigation by a creditor's committee or trustee, and subject to potential liability for actions the board took. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties, and distressed companies may not have access to more traditional methods of financing and may be unable to repay debt by refinancing. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected.

***Speculative Nature of Investments in Distressed Debt:*** The Funds may invest in distressed debt securities and instruments. Investments in distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk. Companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Companies experiencing financial distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage. Distressed companies may have further inability to service their debt obligations during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing, and may be unable to repay debt by refinancing.

The value of distressed debt securities and instruments tends to be more volatile and may have an increased price sensitivity to changing interest rates and adverse economic and business developments than other securities and instruments. Distressed debt securities and instruments are often more sensitive to company-specific developments and changes in economic conditions than

other securities and instruments. Furthermore, distressed debt securities and instruments are often unsecured and may be subordinated to senior debt.

***Convertible Securities:*** The Funds have in the past invested, and are expected in the future to invest in convertible securities, which are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted, or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics, and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument and within a certain time period, which time period may vary from security to security. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third-party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

***Investments in Less Established Companies:*** The Funds may invest a portion of their assets in the securities of less established companies, growth-stage or early stage companies. To the extent there is any public market for the securities held by the Funds, such securities generally are subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Oftentimes, such companies also have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Early stage enterprises usually do not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. The foregoing factors also increase the difficulty of valuing such investments. In addition, there can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

***Middle-Market Companies:*** The Funds may invest in small and/or less well-established companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification, and competitive strength of larger corporations. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. In addition, due to thin trading in some of those securities, an investment in those securities may be less liquid than an investment in many larger capitalization stocks. When making large dispositions, the Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

***Investments in the Sports Sector:*** A Fund may make investments in the sports sector as certain Funds have done in the past. Such investments may include, but are not limited to, technology-enabled or related growth investments. There are numerous interdependencies in this sector, and as such, challenges in one area may have a disproportionate impact on the success of the investment as a whole. For example, revenue streams in the sports sector have historically been and are expected to continue to be challenged by various factors, including, but not limited to, the popularity of a certain sport or team, sponsorship revenue, retail, merchandising, apparel & product licensing revenue through product sales, broadcasting revenue through the frequency of appearances, performance based share of league broadcasting revenue and match day revenue through ticket sales. As such, the success of portfolio companies in this sector will be dependent on the popularity of the corresponding league or leagues (or league equivalent, depending upon sport) and the degree of success the sports team will achieve, which is expected to directly influence fan enthusiasm, which in turn is expected to impact viewership and advertising revenues.

In addition, the success of a sports team is highly dependent on the talent of members of their management, coaching staff and players, and there is often high turnover among players and staff. Competition for talented players and staff is, and is expected to continue to be, intense. A sports team's ability to attract and retain talent impacts, among other things, its ability to win (including beyond regular season) and to attract and retain fans. Talent attraction and retention is consequently critical to the business, results of operations, financial condition and cash flows of the team. Past performance of a sports team with regard to each of these factors is not indicative of future success, and failure in any one area could result in a material negative effect on the results of a company's operations. Moreover, the governing bodies of sports leagues have imposed, and may impose in the future, various rules, regulations and other restrictions and directives in various forms, any of which could have a material negative effect on the business of a company owner of a sports team and its results of operations, or on a Fund itself. Additionally, investments in sports teams may require the approval of players or the players' union or other representatives. Obtaining such approvals may increase the administrative burden and overall transaction expenses related to such investments and, as a result, a failure to obtain any such required approval may result in broken deal expenses. As experienced during COVID-19, in the event of a public health emergency, pandemic, collective bargaining dispute that leads to a strike, or any other situation that could adversely impact the ability of a team to play, and/or for the whole sport to play, whether for one or more games, or a season or more, such a situation could adversely impact any companies that are in any way dependent on the sports sector to generate revenue, potentially materially so. This includes not only sports teams themselves, but companies that sell sports equipment or memorabilia, provide tickets to sporting events, own or run the stadiums that host sporting events, broadcast sports and more. Even if a sport can be played, revenue may be lost if the ability to have live spectators is significantly impacted, as occurred with many sports as a result of COVID-19 related health risks. Even if a sport can be played, revenue may be lost if the ability to have live spectators is significantly impacted (including where the number of live spectators is permitted but limited), as has been the case recently with many sports as a result of COVID-19 related health risks.

***Investments in Media and Entertainment Companies:*** A Fund may make investments in the media and entertainment sector as certain Funds have done in the past. Such investments may include, but are not limited to, technology-enabled or related growth investments. The success of

media and entertainment companies depends substantially on consumer tastes and preferences that change in often unpredictable ways. Such companies must often make large investments in products (e.g., film production, television programming, broadcast rights, etc.) before knowing the extent to which such products will earn consumer acceptance. If a media company's entertainment offerings and products do not achieve sufficient consumer acceptance, revenue from advertising sales, affiliate fees, subscription fees, theatrical film receipts, licensing rights, merchandise, etc. may decline or fail to grow to the extent anticipated when making investment decisions and thereby adversely affect the profitability of such company. The increasing number of choices available to audiences, including low-cost or free choices, could negatively impact not only consumer demand for media and entertainment companies products and services, but also advertisers' willingness to purchase advertising from such companies. Such companies compete for the sale of advertising revenue with television networks and stations, as well as other advertising platforms, such as radio, print and, increasingly, online media. Additionally, the success of companies in this space is increasingly dependent on their ability to successfully adapt to shifting patterns of content consumption through the adoption and exploitation of new technologies. This trend has impacted the business model for certain traditional forms of distribution, as evidenced by the industry-wide decline in ratings for broadcast television, the reduction in demand for home entertainment sales of theatrical content, the development of alternative distribution channels for broadcast and cable programming and declines in subscriber levels for traditional cable channels. Additionally, the value of a media company's intellectual property rights is dependent on the scope and duration of such rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of such rights, or if existing laws are changed, a company's ability to generate revenue from its intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. The unauthorized use of intellectual property may increase the cost of protecting rights to intellectual property or reduce our revenues. The convergence of computing, communication, and entertainment devices, increased broadband internet speed and penetration, increased availability and speed of mobile data transmission and increasingly sophisticated attempts to obtain unauthorized access to data systems have made the unauthorized digital copying and distribution of films, sports, television productions and other creative works easier and faster and protection and enforcement of intellectual property rights more challenging. The unauthorized distribution and access to entertainment content represents a significant challenge for intellectual property rights holders. Inadequate laws or weak enforcement mechanisms to protect entertainment industry intellectual property in one country can adversely affect the results of a company's operations worldwide, despite efforts to protect its intellectual property rights. See "*Intellectual Property*" above for additional information. As has been seen with COVID-19, in the event of a public health emergency, pandemic, or any other situation that could adversely impact the media and entertainment industry (for example, but not by limitation, where it is not feasible to attend live entertainment events or attendance at such events is limited), whether for an isolated event or for a series of events or protracted period of time, such a situation could adversely impact any companies that are in any way dependent on the media/entertainment sectors to generate revenue, potentially meaningfully so. Media and content companies may utilize or employ unionized labor guilds, and potential conflicts between labor and management could cause a protracted adverse impact to such companies (including, among other things, to the company's revenue and ability to retain its talent) as a result of such disputes, which as a whole could have a material impact on such company and, potentially, the relevant Fund or Funds.



***Unionization:*** Certain portfolio companies and/or their service providers, agents, or other counterparties may have a unionized work force or relationships with individuals who are otherwise covered by a collective bargaining agreement, which could subject any such entity's activities and labor relations matters to complex laws and regulations relating thereto, and additional risk of litigation. Moreover, a portfolio company's operations and profitability could suffer if there are labor relations problems with respect to its workforce or the workforce of any of its service providers, agents or other counterparties. Upon the expiration of any of such collective bargaining agreements, a portfolio company or any of its service providers, agents or other counterparties may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities (or at that of any service provider, agent or other counterparty) could have a material adverse effect on its business, results of operations and financial condition. Additionally, any such problems may bring scrutiny and attention to a Fund itself, which could adversely affect such Fund's ability to implement its investment objectives.

***Future Investment Techniques and Instruments:*** Subject to the terms of the Governing Documents and applicable law, whether or not specifically described herein, a Fund may employ a variety of investment techniques and invest in instruments that the general partner believes will help achieve a Fund's investment objectives. Such investments may entail risks not described herein. New investment strategies and techniques may not be thoroughly tested in the market before being employed, may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to a Fund, and may not perform as anticipated for reasons within or outside of the Adviser's control. In the event such an investment is unsuccessful, this could result in losses to a Fund. In addition, any new investment strategy or technique developed by a Fund may be more speculative than previous investment strategies and techniques that have already been used and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in a Fund.

***Highly Volatile Instruments:*** The prices of derivative instruments, including credit default swaps, forward contracts, swaps, and options are highly volatile. Price movements of forward contracts and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationship, trade, fiscal monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene directly by regulation in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund is also subject to the risk of failure of any exchange on which its positions trade or of their clearing houses.

***Sovereign Risk:*** The right of certain portfolio companies of a Fund to generate, produce or sell its products may be granted by or derive from approval by governmental entities and are subject to special risks, including the risk that the relevant governmental entity will exercise sovereign

rights and take actions contrary to the rights of a Fund or the relevant portfolio company under the relevant agreement. There can be no assurance that the relevant governmental entity will not legislate, impose regulations, or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of any portfolio company.

***Investments in Public Companies:*** A Fund's investment portfolio has in the past contained, and is expected in the future to contain, securities or instruments issued by publicly held companies. Such portfolio investments subject the Funds to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, limitations on and risks associated with the company's or the Fund's use of 10b5-1 plans and fund trading in general, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times or add to its position of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and the company itself, and increased costs associated with each of the aforementioned risks.

***Debt Investments:*** The Funds may invest in debt, which could include leveraged loans, high yield bonds or other instruments or securities. A material portion of the portfolio of certain prior Funds, including one or more Silver Lake Partners and Silver Lake Alpine Funds, has consisted of debt instruments and securities. Investing in debt can create various risks for the Funds. For example, debt investments (other than convertible notes) will typically not provide the holders with any governance rights, and so the Funds' ability to influence the success of the portfolio company may be significantly limited. In addition, the market for selling debt may not be as liquid as the market for selling public equity securities, which may impair the ability of the Funds to sell the investment at the opportune time. The Funds' investment may be in debt which is subordinate to other outstanding indebtedness of a portfolio company, which exacerbates the risk that the value of the investment will be impaired if the portfolio company does not perform. If the debt investment is in a portfolio company in which the Fund or another Fund holds an equity investment, there is a risk that the Fund's debt investment could be subjected to equitable subordination or recharacterization, either of which would potentially impair the value materially. Conversely, one Fund may hold equity that is subordinate to the debt held by another Fund or Funds.

***Investments in Private Companies:*** The Funds are expected to invest in large part in privately held companies, which increases the risk of investing in such Funds. These companies will sometimes be smaller in scale and less capitalized than larger, more established businesses, and therefore particularly susceptible to economic downturns. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There often is not as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. In addition, privately-held companies may have higher degrees of managerial risk due to a dependence upon a smaller number of managers. For these reasons, investments in private companies involve a high degree of risk and uncertainty, and therefore may cause the Funds to incur losses.

***Additional Capital:*** The companies in which the Funds invest from time to time require or would benefit from additional financing to further their strategic objectives. The amount of such additional financing to be raised will depend upon a number of factors including the maturity and objectives of the particular portfolio company. If sufficient capital cannot be raised on favorable terms, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including a Fund. A Fund may make additional equity and/or debt investments or exercise warrants, options, or convertible securities that were acquired in the initial investment in such a portfolio company in order to preserve its proportionate ownership when a subsequent financing is planned, or to protect its investment when such portfolio company's performance does not meet expectations. Conversely, a Fund may elect not to make an additional equity and/or debt investment even where it has available funds, based on the Adviser's business judgment, for example, regarding the long-term prospects of the portfolio company. To the extent a portfolio company receives additional funding in subsequent financings and such Fund(s) does not participate in such additional financing rounds, the equity interests of such Fund(s) in such portfolio company will be diluted, and if a Fund does not have sufficient available capital to invest, another Fund may make such investment which will have the effect of the later Fund's investment diluting the earlier Fund's existing investment. As has occurred in the past with respect to certain Funds, if a Fund does not have sufficient available capital to invest, another Fund may make such investment, and it is not expected that consent will be sought or obtained in this circumstance. Such investment could have better terms than the first Fund's existing security, which will have the effect of such other Fund diluting the first Fund's existing investment, and which will potentially structurally subordinate the first Fund's investment and such transaction is unlikely to be subject to the approval or review of the first Fund's limited partner advisory committee. The availability of capital is generally a function of market conditions or other factors that are beyond the control of a Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary or optimal for success or that additional funds will be available from any source, if available, or at terms that are acceptable to the Fund and/or the portfolio company. Accordingly, it is possible that one or more of the portfolio companies of the Funds will be unable to raise additional financing on terms that are acceptable to it, resulting in a loss for such Fund and a negative impact on returns to limited partners of such Fund.

***Non-U.S. Investments:*** Certain Funds invest, or are expected to invest, a portion of their aggregate capital commitments outside of the U.S. In addition, a Fund may invest in companies that are organized, headquartered or principally operated in the United States that have material subsidiaries or operations in, material sales to or other material exposure to foreign countries. Investments in and/or other material exposure to foreign countries involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of

capital, sanctions, the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (v) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors. Additionally, the legal systems of some non-U.S. countries lack transparency or could limit the protections available to foreign investors, and a Fund's investments may be subject to nationalization and confiscation without fair compensation. Furthermore, political and social instability in the country in which a Fund invests could adversely affect such Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In addition, in some countries there is greater acceptance than in the United States of government involvement in commercial activities, and corruption. A Fund generally does not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of a Fund held in a particular country. Furthermore, in spite of the Adviser's policies and procedures, portfolio companies and/or their affiliates, particularly in cases where a Fund does not control such portfolio company, may engage in activities that could result in a violation of the U.S. Foreign Corrupt Practices Law (the "FCPA"). Any determination that the Adviser has violated the FCPA, other applicable anti-corruption laws or anti-bribery laws could subject the Adviser, a Fund or a portfolio company to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Adviser's business prospects and/or financial position, as well as a Fund's ability to achieve its investment objective and/or conduct its operations.

**CFIUS:** The actions of the Committee on Foreign Investment in the United States ("CFIUS"), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person and certain other transactions involving foreign investment, may adversely impact the prospects of a portfolio company in the context of mergers with, or acquisitions and investments by, a foreign person. In most cases, filing with CFIUS is voluntary. But if a party chooses not to file, CFIUS may decide to review a transaction on its own initiative, even after the transaction has closed. In certain cases, filing is mandatory, and failure to file could result in CFIUS imposing penalties.

CFIUS clears the vast majority of transactions that it reviews without conditions. But in cases that present serious national security concerns, CFIUS may recommend that the President block a transaction or, if closing has already occurred, order the parties to unwind the deal. A presidential action such as this would be made public and could inflict severe financial and reputational damage on the parties to the transaction. Alternatively, if CFIUS has national security concerns, it may clear a transaction to proceed subject to certain conditions. In some cases, these conditions may

be extensive and costly, and if applied to a portfolio company can materially and adversely affect the Fund's ability to execute its investment strategy.

In addition, the CFIUS process continues to evolve in ways that may be difficult to predict. In particular, the Foreign Investment Risk Review Modernization Act of 2018 ("FIRRMA") and accompanying regulations broadened the jurisdiction of CFIUS in several ways, such as allowing CFIUS to review certain non-controlling investments in U.S. businesses involved in critical technology, sensitive personal data, and critical infrastructure. In certain circumstances, this review may include indirect investments in such businesses by foreign limited partners. Such legislation could impact the participation in the Funds' investments by non-U.S. limited partners. In the aggregate, non-U.S. limited partners are expected to hold a significant portion of the interests in the Funds, and may impair the Funds' ability to execute their investment strategies. FIRRMA has increased the number of transactions involving the Funds that will be subject to CFIUS review and investigation and the timing and substantive risks described above.

Certain of the Funds' investors are not U.S. persons, and are expected to comprise collectively a substantial portion of the Funds' aggregate commitments. This increases both the risk that investments may be subject to review by CFIUS, and the risk that CFIUS may impose limitations or restrictions on the Funds' investments. In the event that restrictions are imposed on any investment by the Funds due to the non-U.S. status of an investor or other related CFIUS or national security considerations, subject to the terms of a Fund's Governing Documents, the general partner may take such actions as the general partner, in its sole discretion, deems necessary to comply with any CFIUS directive or order. However, there can be no assurance that any restrictions implemented on any such investor will allow the Funds to maintain, or proceed with, any investment or sale of a portfolio company. The outcome of the CFIUS process may be difficult to predict, and, if applicable to a portfolio company, the decisions of CFIUS may adversely impact a Fund's proposed or actual investment in such company.

Similar foreign direct investment ("FDI") rules or regulations exist in many jurisdictions outside the United States, and could operate in ways that adversely affect the Funds' performance. Some of these non-U.S. national security investment clearance rules and regulations have recently been made more rigorous. Examples include:

- *India*: In April 2020, the Government of India issued Press Note 3, which updated the country's existing national security regime such that any foreign investment (i) by or from an entity of any country that shares its land border with India or (ii) whose beneficial owner is situated in, or is a citizen of, any country that shares its land border with India, can only be made with prior approval of the Government of India. Further clarity is awaited from the Government of India with regard to the beneficial owner definition, but the application of this rule may inhibit the Funds' ability to consummate investments involving India. In some cases, the Funds could be required to exclude limited partners from countries bordering India from such investments.
- *EU*: Member States of the European Union have adopted a new foreign direct investment screening cooperation mechanism, which became fully operational in October 2020. This mechanism could restrict, delay, or impose additional scrutiny on the Funds' investment activities in the European Union.

- *Australia:* Legislation passed in 2020 expands the criteria used to determine whether a transaction must be formally identified to the country's Foreign Investment Review Board and affords the government new call-in powers to review transactions that may pose a national security risk.
- *New Zealand:* New Zealand's foreign investment regime requires prior approval for certain inbound foreign investments. This creates a higher risk that the Funds' portfolio investments in New Zealand will require New Zealand regulatory approval prior to the acquisition.
- *United Kingdom:* On 4 January 2022, the screening regime under the National Security and Investment Act 2021 entered into force, requiring mandatory notification for certain acquisitions in 17 strategic sectors and giving the UK government broad powers to review certain acquisitions in any economic sector.

Other jurisdictions, such as the Netherlands, are in the midst of ongoing reform that may establish further restrictions and increase risk by enhancing governments' powers to scrutinize, impose conditions on, and potentially block mergers, acquisitions, and other transactions. These requirements and the disclosure process may delay or otherwise impact the Funds' acceptance and drawdown of commitments from certain investors and approval of transfers by or to certain limited partners. Delays in the Funds' ability to accept or draw down commitments may adversely impact the ability of the Funds to make investments in countries such as Australia, New Zealand, China, India, and the United Kingdom and the timing of such investments. The foregoing requirements may also result in circumstances in which a Fund determines not to pursue certain potential investment opportunities in these countries.

Given these regulatory risks, a Fund's Governing Documents may contain provisions that may require certain limited partners to be excluded from participating in an investment. For example, in some cases, participation by a limited partner could jeopardize a Fund's ability to successfully acquire, hold, operate, sell, transfer, exchange, pledge, or dispose a prospective portfolio investment in light of legal, regulatory or other similar considerations.

Moreover, a Fund may prohibit limited partners from having any physical, logical, or other access to "material non-public technical information" in the possession of any portfolio company, as this could create concerns for regulators like CFIUS. "Material non-public technical information", for this purpose, means information not in the public domain that (i) provides knowledge, know-how, or understanding of the design, location, or operation of critical infrastructure, including without limitation vulnerability information such as that related to physical security or cybersecurity, or (ii) is necessary to design, fabricate, develop, test, produce, or manufacture critical technologies, including processes, techniques, or methods, it being understood that such term does not include financial information regarding the performance of a portfolio company.

The CFIUS and FDI regulatory risks described herein are not limited to the Funds and would similarly apply depending upon the ownership interest of the Adviser, which ownership could change over time.

***Collateral Risk:*** Even if a Fund makes investments that the general partner believes are secured by specific collateral the value of which initially exceeds the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, a Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of a Fund. Moreover, a Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, a Fund may not have priority over other creditors as anticipated. Furthermore, a Fund's right to payment and its security interest, if any, will be subordinated to the payment rights and security interests of the senior lender or lenders, if any. Certain of these investments may have interest-only payment schedules, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company's ability to repay the principal of an investment will be dependent upon a liquidity event or the long-term success of such portfolio company, the occurrence of which is uncertain.

***Credit Risk and Interest Rate Risk:*** Debt investments are subject to credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. A Fund cannot guarantee the adequacy of the protection of the Fund's interests, including the validity or enforceability of loans, the adequacy and/or liquidity of collateral securing an investment, maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Fund cannot assure that claims may not be asserted that might interfere with enforcement of the Fund's rights. In the event of foreclosure, the Fund or an affiliate of the Fund may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in loss to the Fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss. The Fund may be adversely impacted in the case of any of these foregoing events, perhaps materially so.

"Interest rate risk" refers to risks associated with market changes in interest rates. Rising or falling interest rates may have adverse or positive effects on investments made by the Fund, as well as on the Fund's financing arrangements.

***LIBOR Replacement and Other Reference Rates Risk:*** Certain of the Funds' investments in debt securities, payment obligations, and financing terms may be tied to floating rates, such as the London Interbank Offered Rate ("LIBOR"). LIBOR is the offered rate for short-term Eurodollar deposits between major international banks. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative

basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies (e.g., the Secured Overnight Financing Rate for U.S. dollar LIBOR and the Sterling Overnight Interbank Average Rate for GBP LIBOR). Various financial industry groups have been planning for the transition away from LIBOR, and markets are developing in response to these new rates, but questions around the liquidity of the new rates and how to appropriately adjust these rates to eliminate any economic value transfer at the time of transition remain a significant concern. While the Adviser has sought to identify, and will continue to seek to identify, affected agreements and to build in flexibility in any such agreements to outline the transition, it is difficult to predict the full impact of the transition away from LIBOR on the Funds. The transition may also result in a reduction in the value of certain LIBOR-based investments held by the Funds or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for the Funds. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, effects could occur at any time.

***Currency and Exchange Rate Risks:*** A portion of the Funds' portfolio investments, and the income received by the Funds with respect to such portfolio investments, are denominated in currencies other than U.S. dollars. However, the books of the Funds will be maintained, and contributions to and distributions from the Funds generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of portfolio investments and the amounts of distributions, if any, to be made by the Funds. In addition, the Funds will incur costs and execution risk when converting portfolio investment proceeds from one currency to another. From time to time, the Adviser enters into hedging transactions designed to reduce such currency risks, but it does not expect to eliminate the Funds' exposure to exchange rate fluctuations and any such hedging transactions may generate significant transaction costs for the Funds.

***Hedging; Derivative Instruments:*** From time to time, the Funds directly or indirectly use various derivative instruments for hedging purposes. While the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Funds than if they had not entered into such hedging transactions. The Funds also may use derivative instruments to approximate or achieve the economic equivalent of an otherwise permitted portfolio investment (as if the Fund directly invested in the securities, loans, or claims of the subject portfolio company) or if such instruments are related to an otherwise permitted portfolio investment. Use of derivative instruments presents various risks. For example, when used for hedging or synthetic investment purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged or tracked prevents the Funds from achieving the intended hedging effect or expose the Funds to the risk of loss. Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which a Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses. Derivative



instruments that may be purchased or sold by the Funds may include instruments not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment are not available in connection with such transactions. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. In general, the risk of nonperformance by the counterparty on such an instrument is greater and the ease with which the Funds can dispose of or enter into closing transactions with respect to such an instrument is less than in the case of an exchange traded instrument. The stability and liquidity of derivative investments depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, the Funds will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs that could result in a loss to the Funds. Furthermore, there is a risk that any of such counterparties could become insolvent. Also, it should be noted that in purchasing derivative instruments, the Funds typically will not have the right to vote on matters requiring a vote of holders of the underlying investment. Moreover, derivative instruments, and the terms relating to the purchase, sale, or financing thereof, are also typically governed by complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements. It should also be noted that the regulation of derivatives is evolving in the U.S. and in other jurisdictions and is expected to increase, which could impact the Funds’ ability to transact in such instruments and the liquidity of such instruments. There is a possibility that additional regulatory requirements could be triggered by virtue of a Fund entering into hedging transactions, and in such an event, such Fund could bear additional costs for compliance with requirements and would be subject to additional regulatory risk that it would be unlikely to face absent its participation in hedging transactions.

The Funds may take advantage of investment opportunities with respect to derivative instruments that are neither presently contemplated nor currently available, but which may be developed in the future, to the extent such opportunities are both consistent with the Funds’ respective investment objectives and legally permissible. Any such investments may expose the Funds to unique and presently indeterminate risks, the impact of which may not be capable of determination until such instruments are developed and/or the Adviser determines to make such an investment, and in some cases, not until well after the Funds have made such investment.

***Investments in Bridge Financings:*** From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a Fund’s control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments would remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments would not adequately reflect the risk associated with the position taken by a Fund.

***Restrictions on Investments:*** The Adviser or the Funds have in the past entered into, and in the future can be expected to enter into, covenants that restrict or otherwise limit the ability of a Fund

or its portfolio companies and their affiliates to make investments in, or otherwise engage in, certain businesses or activities or engage with certain parties. For example, but not by limitation, the Adviser may grant exclusivity to a joint venture partner that limits a Fund (and potentially other Funds) from owning assets or engaging in certain other activities within a certain distance of any of the joint venture's assets, or the Adviser may enter into a non-compete, including but not limited to an agreement not to invest in any competitive businesses or work with a competitor on other fronts, or agree to another restriction in connection with an investment, sale or other transaction. These types of restrictions may negatively impact the ability of one or more Funds to implement its investment program. A Fund's limited partners will not receive a benefit from any investment proceeds related to such transactions involving the Adviser, its personnel or another Fund or fees earned by the Adviser and/or its personnel, or another Fund, from these other businesses.

The Adviser is under no obligation to decline any engagements or investments in order to make an investment opportunity available to any Fund. The Adviser has long-term relationships with a significant number of companies and their senior management. The general partner of a Fund will consider those relationships when evaluating an investment opportunity, which may result in such general partner choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or other person with whom the Adviser has a relationship). Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of the Adviser will be made available to a Fund. A Fund may also co-invest with persons with whom the Adviser has a relationship, and other aspects of these relationships unrelated to the co-investment could influence the decisions made by the applicable general partner with respect to such Fund's portfolio investments and otherwise result in a conflict.

***Alternative Investment Vehicles:*** Alternative investment vehicles ("Alternative Vehicles") in which the partners of a Fund make a particular portfolio investment outside of such Fund may be used if it is determined by the applicable general partner to be in the best interests of a partner or the partners participating therein, which vehicles may be formed in jurisdictions outside of the United States, subject to certain restrictions set forth in the applicable partnership agreement. The Adviser may structure the control of an Alternative Vehicle, intermediate entity or other holding vehicle such that such entity is controlled by one or more Silver Lake employees (in lieu of the applicable general partner or other entity controlled by Silver Lake), and such entity will nonetheless be deemed to be managed by an affiliate of Silver Lake.

***Capital Calls:*** Capital calls will be issued by the general partner of each Fund from time to time in the discretion of such general partner, based upon its assessment of the needs and opportunities of such Fund. To satisfy such capital calls, investors may need to maintain a substantial portion of their capital commitment in assets that can be readily converted to cash. Except as specifically set forth in the Governing Documents, each limited partner's obligation to satisfy capital calls will be unconditional. A limited partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the relevant Fund or upon any assessment thereof provided by the general partner thereof. While the Adviser follows the standardized Capital Call and Distribution Notices template adopted by the Institutional Limited Partners Association, capital call notices may not provide all of the information an investor desires in a particular circumstance, and such information may not be made available and will not be a condition

precedent for a limited partner to meet its funding obligation. Additionally, and notwithstanding the foregoing, the general partner will not be obligated to call 100% of the limited partner's capital commitment during a Fund's term, and in the event a limited partner is excused or excluded from a portfolio investment, because drawdowns for portfolio investments are calculated based on commitments (as opposed to unfunded commitments), there is a greater likelihood that such limited partner's commitment will not be fully deployed relative to those limited partners who participated in all of such Fund's portfolio investments. Even if a capital call is issued, in the event that the general partner determines that a proposed portfolio investment will not be consummated or that capital contributions are not applied to a portfolio investment for any reason after a period of time as set forth in the Organizational Documents, the general partner will refund to the partners the unapplied amounts without interest and such amounts are treated as never having been contributed. If one or more investors are unable to make, or are contractually excused from making, their capital calls on any one investment, the capital call of the other investors will increase accordingly, possibly materially. The fees, costs and expenses incurred by a limited partner in order to meet capital calls (whether it is bank fees, wire fees, value-added tax or other applicable charge imposed on a limited partner) will be borne solely by such limited partner.

***Deployment of Capital:*** A Fund may experience delays in investing its commitments, which may cause such Fund's performance to be worse than the performance of other investment vehicles with investment programs that are similar to the investment objectives of such Fund. The general partner of the Fund and/or the Adviser may not be able to identify a sufficient number of potential investments that meet such Fund's investment objectives. The general partner and/or the Adviser may be unable to invest all of the commitments of such Fund on acceptable terms within the Fund's commitment period, which would reduce the returns to the Fund.

Conversely, a Fund may, subject to any applicable restrictions in its partnership agreement, deploy a significant amount or majority of its commitments over a short period of time, which would increase the likelihood that such Fund will be adversely impacted by market dislocations, economic shocks, recessions, depressions and other similar market downturns (see "*Financial Market Fluctuations*" herein for additional information). This, in turn, could leave an insufficient amount of remaining capital available to the Fund to seek to invest opportunistically during and after such downturn. In such circumstances, the Fund's performance may be worse than the performance of other investment vehicles with investment programs that are similar to the investment objectives of the Fund that make their investments over a longer period of time and therefore are both less heavily invested during such downturn, and more readily able to invest during and after such downturn.

***U.S. Dollar Denomination of Interests:*** The Funds' interests are denominated in U.S. dollars. Investors subscribing for the interests in any country in which U.S. dollars are not the local currency should note that changes in the rate of exchange between the U.S. dollar and such currency may have an adverse effect on the value, price, or income of the investment to such investors. In addition, rapid changes in inflation could have a material adverse effect on the performance of the Funds. The fees, costs and expenses incurred by an investor in converting its local currency to U.S. dollars (if applicable) in order to meet capital calls will be borne solely by such investor and will be in addition to the amounts required by such capital calls (and will not be part of or otherwise reduce such investor's unpaid capital commitment).

***Failure to Make Capital Contributions:*** If a limited partner of a Fund fails to pay when due installments of its commitment to such Fund, and the contributions made by non-defaulting limited partners and borrowings by such Fund are inadequate to cover the defaulted capital contribution, such Fund may be unable to pay its obligations when due. As a result, such Fund may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners). If a limited partner defaults, it will be subject to various penalties as provided in the Governing Documents, including, without limitation, forfeiture of a portion of its interest in the Fund. A default by a limited partner may also limit a Fund's ability to incur borrowings and avail itself of what would otherwise have been available credit under such Fund's subscription facility where some or all of the facility is collateralized by limited partners' commitments. If limited partners were to default on their commitments, the applicable Fund's ability to repay subscription facilities (where used) would be compromised, and the facility provider could require the Adviser to call an additional funding of capital contributions from non-defaulting limited partners or liquidate assets at an inopportune time, on an expedited basis or at an unattractive price, or could exercise other remedies that could adversely affect the applicable Fund's operational capabilities and have adverse tax and economic effects on such Fund and returns to limited partners.

***Dilution from Subsequent Closings:*** To the extent that investors subscribing for interests at subsequent closings of a Fund participate in existing investments of such Fund, it will dilute the interest of existing investors therein. Although such investors subscribing for interests at subsequent closings will contribute their pro rata share of previously made capital calls (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair market value of the Fund's existing investments at the time such additional limited partners subscribe for interests.

***Distributions In-Kind:*** During the term of a Fund, such Fund may, in the general partner's sole discretion, make in-kind distributions of marketable securities. Such distributions may be made to all limited partners or only to such limited partners that have made an affirmative election to receive distributions in-kind of marketable securities (with the limited partners that did not make such election receiving cash), it being understood that the decision regarding the form of disposition, including whether to offer a cash-stock election, shall be made in the sole discretion of the general partner. Distributions in-kind to investors have occurred multiple times in the recent past in certain Silver Lake Funds, and the Adviser expects such distributions to happen often in the future.

In addition, and, under certain Funds' Governing Documents, in-kind distributions of securities or instruments that are non-marketable securities may be made to limited partners that have made an affirmative election to receive such securities. Furthermore, it is possible that not all portfolio investments will be realized by the end of a Fund's term. In such cases, as provided for under the respective Funds' Governing Documents, in the general partner's sole and absolute discretion, there may be distributions in-kind by such Fund to all limited partners of securities or instruments that are non-marketable securities.

In the event of any distribution in-kind, and particularly with respect to any distribution in-kind of non-marketable securities, there can be no assurance that investors will be able to dispose of such

securities or instruments or that the fair market value of such securities or instruments determined by the Funds for purposes of the determination of distributions and the calculation of the Carried Interest and performance calculations ultimately will be realized. In addition, if a Fund receives distributions in-kind in respect of any portfolio investment or decides to make a distribution in-kind, it may incur additional costs and risks in connection with the disposition of such assets and such incremental costs and risks may also be incurred directly by limited partners receiving such distribution in-kind.

Distributions in-kind may be made with limited or no advance notice for reasons which may include, among other things, the need to protect potentially material non-public information. A Fund, the general partner, or their respective affiliates or employees may dispose of, or publicly announce an intention to dispose of, the assets being distributed in-kind to the limited partners before, during or after the completion of the distribution and any such activity or announcements may adversely impact the value of the assets being distributed and the ability of limited partners to trade such assets on attractive terms or at all. In particular, there may be circumstances where a Fund disposes of securities for limited partners which elected to receive cash before (and in some cases, days before) the limited partners electing to receive securities in-kind actually receive their applicable distribution (for example, where such Fund enters into a forward sale, or has arranged to sell with an extended settlement date). Additionally, limited partners will be responsible for making and executing their own arrangements with respect to the liquidation or other disposal of distributed assets, including those arrangements made with the broker handling such distribution in-kind on behalf of the Fund, if applicable. Limited partners may experience delays in their ability to trade in any such securities distributed in-kind for any number of reasons including delays by the transfer agent in transferring securities to the broker (and any such delays may result in limited partners receiving their securities at a lower value than would be the case had they been able to trade immediately following such distribution-in-kind or immediately following the sale by such Fund, as applicable). In addition, a Fund may employ a “dribble out” or other similar strategy whereby such Fund sells the applicable securities over time (which may occur over a week or such longer period deemed appropriate) for those limited partners electing cash rather than all at once, and in such instance, the general partner may not make pro rata distributions in-kind to those limited partners electing stock each time such Fund is selling (instead, such Fund may wait until such disposition strategy has been completed prior to distributing shares in-kind, which may result in such limited partners selling at a higher or lower price than they would have had they had access to the securities at the same time that the Fund was selling). Limited partners may not be notified of such disposition strategy until the disposition is complete. Furthermore, the value of any securities distributed by a Fund is initially calculated as of close of trading on the day immediately prior to the distribution and there can be no assurance that the value of the securities distributed will not decrease before the limited partner is notified of the distribution or able to trade such securities; provided, that with respect to securities distributed pursuant to a cash-stock election, limited partners electing to receive a distribution in-kind will be deemed to have received the same price per share as those limited partners receiving cash for purposes of determining the general partner’s Carried Interest, which may result in the use of a higher price or lower price than the value of the shares at the time of distribution, particularly where such distribution occurs after the date that the Fund sold shares on behalf of those electing cash. The Adviser will determine its strategy regarding whether or not to offer a cash-stock election in its sole discretion and taking into account a number of factors. It is possible that the Adviser may choose to deploy multiple

disposition strategies in connection with the same disposition, for example by disposing of certain of the shares through a distribution in-kind and others via a cash-stock election. This approach may be utilized for any number of reasons such as in view of achieving best execution for investors in light of current market conditions. For the avoidance of doubt, the foregoing will not apply to any deemed in-kind distributions and contributions in connection with a portfolio investment restructuring or other similar transaction otherwise permissible under the Governing Documents of the relevant Fund.

***Recycling; Reinvestment:*** The general partner of a Fund typically has the right to recall, retain, reinvest or recycle the proceeds of any portfolio investment that is realized or disposed of within a certain period of time. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its capital commitment. In addition, such reinvestment limits early distributions to investors, and to the extent such retained amounts are reinvested in portfolio investments, an investor will remain subject to investment and other risks associated with such portfolio investments. As a result, reinvestment increases the risk of investing in the Fund. If a situation arises where a Fund may benefit from additional liquidity for purposes of maximizing or preserving the value of its assets, the Adviser may consider opportunities to create liquidity through dispositions with the goal of recycling the proceeds to redeploy them in a manner believed to be in the best interest of such Fund. In certain circumstances, the Adviser may opportunistically consider seeking, with the appropriate consents required under the Fund's Governing Documents, to extend the amount of time during which capital may be recycled and redeployed or such other measures with similar economic effect.

***Legal, Tax, and Regulatory Risks:*** Legal, tax, and regulatory changes could occur during the term of a Fund and adversely affect the Fund, its portfolio companies, or partners. For example, from time to time, the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. The Funds intend to invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, licensing, examination, and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules, and regulations, some of which are subject to interpretation and/or are subject to change, could result in a variety of adverse consequences, including civil and administrative penalties and fines, which could have material adverse effects. Additionally, foreign investment in securities of companies in certain of the countries in which the Funds invest or may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of a Fund. While regulation of investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital, or the proceeds of sales by foreign investors and foreign currency. The Funds could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities or instruments held by the Funds, and income on such securities or instruments or gains from the disposition of such securities or instruments could

be subject to withholding taxes or other taxes imposed by certain countries where the Funds invest or in other jurisdictions.

***Possible Licensing Requirements:*** Silver Lake currently maintains, and in the future may maintain, various registrations and/or licenses in certain non-U.S. jurisdictions in which it operates. Such licenses and registrations subject Silver Lake to certain various information and other requirements. Silver Lake's failure to obtain or maintain such licenses could have adverse consequences on Silver Lake and its ability to operate in such non-U.S. jurisdictions.

Certain investments can involve regulated activities (e.g., gaming, gambling or betting and liquor). Investments in portfolio companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally, including, but not limited to, risks relating to approval of a change in ownership, and the acquisition and maintenance of applicable licenses. Accordingly, a Fund's portfolio companies themselves may be required to obtain, or may require a Fund, and/or the Adviser or its principals to obtain, various state or other licenses in connection with the operation of their businesses or in order to make, hold or dispose of certain investments, particularly to enable a portfolio company to engage in certain types of business practices that are regulated by states. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. There can be no assurances that a portfolio company (or Silver Lake and its personnel) will obtain all of the licenses sought or that there will not be significant delays in seeking such licenses, which could impact such portfolio company's operations. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. Furthermore, the portfolio companies may be subject to various information and other requirements in connection with obtaining or maintaining such licenses, and there is no assurance that the portfolio companies will satisfy those requirements or that Silver Lake and its personnel will provide any information required of it. Such licenses may depend in whole or in part on information about a Fund's general partner and its affiliates, such Fund's limited partners and/or Silver Lake and its personnel, which Silver Lake may be unwilling or unable to provide (in which case the portfolio company's application for such license could be unsuccessful). In some circumstances, a Fund may be required to provide certain information about its limited partners in order to obtain such licenses. A portfolio company's failure to obtain or maintain licenses could have adverse consequences for the relevant Fund and/or such portfolio company. In addition, the ownership and operation of certain portfolio companies may require certain individuals to be routinely vetted in order for the portfolio company to obtain and maintain certain state licenses.

***Litigation:*** In connection with ordinary course investing activities, the Advisers, the Funds and their respective affiliates, employees and directors as well as portfolio companies of the Funds are and may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds. Any such litigation could be prolonged and expensive and typically such costs (which may include consultants, investigators, experts, electronic discovery vendors and other advisors, in addition to legal costs, and which in the aggregate may be substantial) are borne by the Fund. In addition, it

is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. To the extent the Funds invest in public companies and/or their principals have board seats in connection with a public company, the risk of litigation may be enhanced and thus the litigation costs borne by the Funds are likely to be greater than if the Funds did not invest in any public companies. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by the Funds and would reduce net assets or could require limited partners thereof to return to the Funds distributed capital and earnings. With increasing frequency, Silver Lake has received subpoenas for documents and testimony in connection with litigations where Silver Lake is not a party but such litigation pertains to a portfolio company or a company that was diligenced as a potential investment. Costs in responding to these subpoenas for documents and/or testimony can be substantial and are also expected to be borne by the relevant Fund to which the subpoena pertains, in addition to any costs relating to any settlement or adverse finding.

***Documentation and Legal Risks:*** A Fund and its portfolio companies are governed by a complex series of legal documents and contracts. The intent of the legal documents and contracts might not be clear, and even clear drafting can be misconstrued by counterparties and judges. A dispute over interpretation of any of these documents or contracts could arise, which may result in unenforceability of the contract(s) or other outcomes that are adverse to a Fund.

***Indemnification:*** The Funds will be required to indemnify the Advisers, their respective affiliates, and their respective officers, employees, directors, agents, stockholders, members, and partners, and likely any other person who serves at the request of the Advisers on behalf of the Funds as an officer, director, partner, employee, or agent of any other entities, and any member of the limited partner advisory committee for liabilities incurred in connection with the affairs of the Funds. Additionally, such parties may be entitled to exculpation by the Funds. Such liabilities may be material and may have a material adverse effect on the returns to the limited partners of the Funds. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unfunded commitments of the limited partners thereof. If the assets of the Funds are insufficient, the Advisers may recall distributions previously made to the limited partners, subject to certain limitations in the Governing Documents. It should be noted that the Advisers typically cause the Funds to purchase insurance for the Funds, the Advisers, and their respective employees, agents and representatives, but there can be no assurance that such insurance will cover any or all liabilities. In addition, the Advisers may cause the Funds to advance the costs and expenses of an indemnitee pending outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification). As a result, there may be periods where a Fund is advancing expenses to an individual or entity with whom such Fund is not aligned or is otherwise an adverse party in a dispute. Moreover, in its capacity as general partner of a Fund, the Adviser will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that disqualifies any such person from indemnification or exculpation so long as the Adviser (and/or its legal counsel) have determined that such disqualifying conduct did not occur.

***Outside Statements:*** The Adviser and its affiliates and employees may have made, and may in the future make, oral and written statements or expressions of intent or expectation to investors in the



Fund or their affiliates, or acknowledge statements by such persons (“Outside Statements”) regarding a Fund or the Adviser’s activities pertaining thereto. These may include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation in connection with a Fund’s portfolio company IPO, the anticipated or expected allocation of investment opportunities to a Fund generally or other topics often (though not always) addressed in legally binding side letters. Although such Other Statements are not legally binding, such Other Statements may influence allocation and other decisions of the Adviser and its affiliates and employees with respect to the operations and investment activities of a Fund and may influence a prospective investor’s decision as to whether to invest in a Fund. By virtue of not being legally binding obligations, such Other Statements will not be considered side letter provisions for purposes of any most-favored-nation’s provisions in actual side letters of a Fund. There can be no assurance that any such arrangements will not have an adverse effect on a Fund or any limited partner and limited partners may be treated differently from each other as a result of such Other Statements.

***Liability for Return of Distributions:*** If a Fund is otherwise unable to meet its obligations, its limited partners will, under applicable law, be obligated to return cash distributions previously received by them if such distributions are deemed to be a return of their capital contributions or a wrongful payment to them. In addition, certain provisions in the Governing Documents will permit the general partner of a Fund to require each limited partner to return distributions made to such limited partner, including, without limitation, for the purpose of meeting such limited partner’s share of such Fund’s indemnification obligations. Furthermore, with respect to any distributions from an investment that were in turn distributed to the limited partners, the general partner may require the limited partners to return such distributions to the extent any investment requires the Fund to return such distributions.

***Force Majeure Risk:*** Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, global health crises and pandemics, war, terrorism, and labor strikes. Some force majeure events may adversely affect a party’s ability to perform its obligations, under a contract or otherwise, until it is able to remedy the force majeure event. Such events, whether or not considered to be a contractual Force majeure event, may nonetheless impact the operations of portfolio companies, potentially materially so, and as a result or in addition to a Fund. For example, the cost for a portfolio company to repair or replace assets that may have been damaged by such event could be considerable. A portfolio company’s ability to deliver services as a result of prolonged services interruptions may result in permanent loss of customers, substantial and costly litigation, or penalties for regulatory or contractual non-compliance. In some cases, transaction (including agreements by a Fund to buy or sell a portfolio company) or other agreements may provide for termination of the agreement if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. During the COVID-19 pandemic these provisions have resulted in costly litigation in the industry and in future disruption scenarios such costly litigation may be expected to occur. Force majeure events that are incapable of, or costly to, cure may also have a permanent adverse effect on a portfolio company and/or a Fund. Force majeure clauses may be drafted or construed narrowly in a manner that would not cover a particular event that might occur, such as a pandemic or global

public health crisis. If this were to occur, there could be an adverse impact on the Fund or its portfolio company and/or could result in protracted litigation to resolve.

***Fund Expenses:*** As set forth above in Section 5 in “Expenses”, expenses to be borne by a Fund will be substantial and will reduce the actual returns realized by investors on their investment in the Funds (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Funds in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed amounts expected or budgeted by the Adviser and/or limited partners of a Fund. While the Advisers will, except as indicated above and as governed by the Governing Documents, be responsible for their own rent, utilities and salaries of their personnel, the costs and expenses of their activities in connection with, on behalf of or otherwise related to the Funds are otherwise borne by the Funds (and by the investors therein indirectly via their interests in the Funds).

***Systems and Operational Risks:*** The Funds depend on the Adviser to develop and implement appropriate systems for the Funds’ activities, or to hire a third-party administrator on whom they will rely. The Funds rely daily on financial, accounting and other data processing systems and other core operating systems that are critical to the performance and oversight of the Funds’ activities. Certain of the Funds’ and the Adviser’s activities will be dependent upon systems operated by third parties, and the Adviser may not be in a position to thoroughly vet the risks or reliability of certain third-party systems based on a number of factors such as, but not limited to, limitations of access to vendor data, especially with larger vendors who, in the Adviser’s experience, have been unwilling to provide such access, or, in some circumstances, time constraints in vetting vendors to the optimal extent. Failures in the systems and processes employed by the Adviser and other parties could result in mistakes made, including, among other things, in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruption to third-party critical service providers, such as the Funds’ auditors, external counsel, administrator and custodian, may result in other disruptions in the Funds’ operations. Operational risks may also be the result of inadequate procedures and controls, employee fraud, recordkeeping errors, human errors and/or other mistakes or failures by the Adviser or a service provider. Disruptions in the Funds’ operations may cause the Funds to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. The Funds or the Adviser may not be in a position to verify the risks or reliability of such third parties and may have limited recourse against them. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors’ investments therein. While the Adviser has a business continuity plan in place in the event of an operational or other significant incident, there is no guarantee that the plan will specifically contemplate a scenario that may occur, will be capable of implementation under the circumstances that may occur, or that once implemented, will adequately address the challenges presented by the situation.

***Cyber Security Breaches, Identity Theft, Denial of Service Attacks, and Social Engineering Attempts:*** Cyber security incidents, cyber-attacks, denial of service attacks, ransomware attacks and social engineering attempts (including business email compromise attacks) are increasing in frequency, scope and severity at a global level and will likely continue to increase in the future.

There have been a number of recent highly publicized cases involving financial services companies reporting the unauthorized disclosure of client or customer information and the unauthorized transfer of client or customer funds, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, whether as a result of a failure to follow procedures by employees or contractors or as a result of actions by a variety of third parties, including nation state actors and terrorist or criminal organizations. The Adviser, the Funds, the portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions, and their operations rely on the secure processing, storage and transmission of confidential and other information in their systems and those of their respective third-party service providers. These information, technology and communications systems are subject to a number of different threats or risks that could adversely affect the Funds, their investors, and the Funds' portfolio companies despite the efforts of the Adviser, the Funds' portfolio companies and the Funds' service providers to adopt technologies, policies and practices intended to mitigate these risks and protect the security of their information technology and communications systems and related assets, as well as the confidentiality, integrity and availability of information belonging to the Funds, their investors, and the Funds' portfolio companies. For example, these systems are subject to damage or interruption from computer viruses, ransomware attacks, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes, wars and terrorist attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's or the Funds' portfolio companies' systems to disclose sensitive information in order to gain access to the Adviser's or the Funds' portfolio companies' data or that of the Funds' investors. There also have been several publicized cases where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to information technology or communications systems.

Although the Adviser has implemented and will continue to implement various policies, processes and measures to manage risks relating to these types of events, if these systems and controls are inadequate, compromised, become inoperable for extended periods of time or cease to function properly, the Adviser, the Funds and/or a service provider thereof would have to make a significant investment to fix or replace them. In addition, due to interconnectivity with third-party service providers (and their respective subcontractors), a Fund would be adversely affected if any service provider or subcontractor of its general partner, the Adviser or any portfolio company is subject to a successful cyber-attack or other information security event. The Adviser does not control the cyber security plans and systems put in place by third-party service providers, oftentimes has limited access to gain visibility into such plans, systems or breaches thereof, and such third-party service providers may have limited indemnification obligations to the Adviser, a Fund and / or a portfolio company, each of whom could be negatively impacted as a result.

The successful penetration or circumvention of the security of the Adviser's own internal cyber systems or a portfolio company's or a third-party service providers' systems, or a failure of or weaknesses in these systems and controls and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the Funds', the portfolio company's, and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality, availability or privacy of sensitive data, including personal information relating to

investors (and the beneficial owners of investors), material non-public information in possession of the Adviser and/or portfolio companies and the intellectual property and trade secrets and other sensitive information in the possession of the Adviser and / or portfolio companies. Successful penetration or circumvention of these systems could have additional consequences such as the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Such a failure could harm the Adviser's, the Funds' and/or a portfolio company's or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and litigation and otherwise affect their business and financial performance (including effects on their liquidity and financial condition) and substantial costs may be incurred which, where permitted under the Governing Documents, are expected to be borne by the Funds. These threats in the aggregate continue to be meaningfully magnified as the sophistication and complexity of cyber threats, and expansion of cyber resources and threat actors (including those who may be supported by nation states with extensive resources) have evolved over time, and they have continued to become increasingly advanced over time. Despite Silver Lake's efforts to foster the security, integrity and availability of its and its portfolio companies' information technology and communications systems, Silver Lake and its portfolio companies' are likely not going to be able to anticipate, detect or prevent all cyber threats, especially because the techniques used are increasingly sophisticated, change frequently and are often not recognized until initiated.

Data taken in such breaches may be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities, in attempting extortion and other crimes that could affect the limited partners directly as well as affect the value of assets in which a Fund invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations by the Adviser or a Fund of applicable securities laws and other laws, such as those related to data and privacy protection and consumer protection, or incur regulatory penalties, all or part of which may not be covered by insurance. Cybersecurity risks also result in ongoing prevention and compliance costs, many of which will be borne by the Funds, such as any costs pertaining to reviewing and monitoring on an ongoing basis a portfolio company's cybersecurity. In addition, the Adviser and/or a Fund may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach (including a breach of a portfolio company), relating to increased and upgraded cybersecurity tools and additional service providers, as well as substantial costs relating to, among other things, identity theft, social engineering attacks, unauthorized use of proprietary information, attempted extortion, system disruptions, adverse limited partner reaction, or litigation.

As described above, these types of operational and technology risks (and costs) are also present for the companies in which the Funds invest, including the risks with respect to third-party service providers. These risks, if they were to materialize, as they have in the past and are likely to do in the future, could have material adverse consequences for such companies, and may cause the Funds' investments to lose substantial value. These risks are heightened given the technological focus of the portfolio companies in which the Funds invest, especially where, for example, portfolio companies provide data protection or other security services and/or collect and maintain broad or extensive categories of data including, for example, personal information and other sensitive data. Portfolio companies that provide services to state, federal and/or global government agencies are likely to be at an increased risk of vulnerability as a potentially valuable target.

***Data Privacy and Cybersecurity Legal Considerations:*** Many jurisdictions in which the Adviser, the Funds and the Funds’ portfolio companies operate have laws and regulations concerning privacy and cybersecurity. The Adviser, the Funds and the Funds’ portfolio companies may be directly or indirectly subject to these laws, including but not limited to the European Union General Data Protection Regulation (“EU GDPR”), the UK General Data Protection Regulation (“UK GDPR”), the Singapore Personal Data Protection Act, the Hong Kong Personal Data (Privacy) Ordinance, the Cayman Islands Data Protection Act, the U.S. Gramm-Leach-Bliley Act (“GLB”) and regulations implemented thereunder by the Securities and Exchange Commission (Regulation S-P) and the Consumer Financial Protection Bureau, Section 5 of the U.S. Federal Trade Commission Act governing unfair or deceptive acts or practices in or affecting commerce, and emerging U.S. state privacy laws in California (including the California Consumer Privacy Act of 2018 (“CCPA”)), Colorado and Virginia. Taken together, these and other related laws impose stringent and far-reaching operational requirements for covered businesses, including with respect to the collection, storage, handling, safeguarding and cross-border transfer of personal information, as well as create certain privacy rights for individuals. Also, under these laws and additional breach notification laws, the Adviser, the Funds and the Funds’ portfolio companies may be required to notify appropriate regulators and/or impacted individuals in the event of a security breach involving personal information. In addition, pending rules proposed by the SEC are likely to increase the burden and risks to covered businesses, including the Adviser, the Funds and the Funds’ portfolio companies.

***GDPR and UK GDPR.*** The EU GDPR applies to (i) organizations that process personal information in the context of the activities of an establishment in the EEA and (ii) organizations outside the EEA that offer goods or services to data subjects in the EEA, or that monitor the behavior of data subjects in the EEA. The UK is no longer a member of the EU, but has retained and transposed the GDPR into its domestic law by virtue of the European Union (Withdrawal) Act 2018 (in relevant part, the body of law retained in the UK is referred to herein as the “UK GDPR”). Accordingly, the UK GDPR applies to (i) organizations that process personal information in the context of the activities of an establishment in the UK and (ii) organizations outside the UK that offer goods or services to data subjects in the UK, or that monitor the behavior of data subjects in the UK.

For the purposes of the GDPR and the UK GDPR, personal information is any information that relates to an identified or identifiable natural person, for example a name, a photo, an email address, or a computer IP address. The GDPR, the UK GDPR and other similar privacy laws adopted in other countries provide protection for data subjects by requiring, among other requirements, personal information to be processed lawfully and in a fair and transparent manner, to be collected for specified, explicit and legitimate purposes, and to be limited to what is adequate or necessary in relation to those purposes. Data controllers must, subject to exemptions available under applicable law, respond to the rights of data subjects, which include the right of individuals to access their personal information, to seek to rectify inaccurate data, to have personal information erased where processing is no longer required, to seek to restrict the processing of their personal information, and to object to the processing of their personal information. Controllers and processors of personal information must implement appropriate technical and organizational measures to protect the rights of data subjects and ensure an appropriate level of security to protect

against loss of, misuse of, or unauthorized access to personal information. A data breach which results in a risk to the rights of a data subject must be notified to an appropriate supervisory authority without undue delay (but in any case within 72 hours of becoming aware of the breach); a data breach which results in a high risk to the rights of a data subject also must be notified to the data subject (without undue delay).

The GDPR and the UK GDPR include fines for serious violations of the laws, up to the greater of (i) 4% of annual worldwide turnover or (ii) in the EU, €20,000,000, or in the UK, £17,500,000. Data subjects also have a right to compensation for material or non-material damage (e.g., distress) as a result of infringement of the GDPR or UK GDPR. There is a risk that the measures taken by the Adviser, the Funds, or one or more portfolio companies to comply with the GDPR or UK GDPR will not be implemented correctly or that individuals within the business will not be fully compliant with the measures. In the event of noncompliance with these laws, the Adviser, the Funds, or such portfolio companies could face significant sanctions, as well as reputational damage, which could have a material adverse effect on the operations, financial condition and prospects of the Adviser, the Funds, or such portfolio companies.

***GLB and Regulation S-P.*** GLB is the principal federal law in the U.S. that requires financial institutions to protect the privacy and security of personal information. Pursuant to GLB, various federal agencies promulgated two set of regulations, known as the Privacy Rule and the Safeguards Rule. The Privacy Rule imposes obligations on covered entities to provide privacy notices and offer opt-out opportunities for certain types of information disclosures, while the Safeguards Rule requires covered entities to develop, implement and maintain a tailored and comprehensive information security program. The SEC's regulations under GLB are known as Regulation S-P, and it applies to broker-dealers, investment companies and registered investment advisors. There is a risk that the measures taken by the Adviser, the Funds, or one or more portfolio companies to comply with Regulation S-P will not be implemented correctly or that individuals within the business will not be fully compliant with the measures. In the event of noncompliance with this law, the Adviser, the Funds, or such portfolio companies could face significant sanctions, as well as reputational damage, which could have a material adverse effect on the operations, financial condition and prospects of the Adviser, the Funds, or such portfolio companies.

***Consumer Protection and the FTC.*** The federal government and most states have consumer protection laws that have been the basis for investigations, lawsuits and multi-state settlements relating to competition, sales & marketing, advertising, data privacy and cybersecurity areas, among other matters. The Federal Trade Commission ("FTC") is the principal federal agency responsible for the enforcement of consumer protection and competition laws in the United States and has broad investigative and enforcement powers. The US Federal Trade Commission Act (the "FTC Act"), including Section 5(a), provides that unfair or deceptive acts or practices in or affecting commerce are unlawful. In addition, the FTC Commission enforces a variety of other consumer protection statutes on certain practices, where violations may be subject to civil penalties. There is a risk that the business practices of the Adviser, the Funds, or one or more portfolio companies to comply with the FTC Act will not be implemented correctly or that individuals within the business will not be fully compliant with the measures. Perceived or actual non-compliance could result in the FTC or a state attorney general commencing an investigation, administrative enforcement action and/or litigation in federal court, and requiring significant

injunctive relief and/or monetary relief and penalties in settlements. Such person or business could be subject to reputational or brand damage, any or all of which could have a material adverse effect on the operations, financial condition and prospects of the Adviser, the Funds, or such portfolio companies.

***California Consumer Privacy Act (“CCPA”).*** The CCPA grants consumers a right to request that a business disclose the categories and specific pieces of personal information that it collects about the consumer, the categories of sources from which that information is collected, the business purposes for collecting or selling the information, and the categories of third parties with which the information is shared. The CCPA further grants consumers a right to request that a business that sells a consumer’s personal information, or discloses it for a business purpose, disclose the categories of personal information that it sold and the categories of third parties to which the information was sold, as well as the categories of personal information it disclosed for a business purpose and the categories of third parties to whom the personal information was disclosed. Consumers also have the right under the CCPA to request the deletion of their personal information and to opt out of the sale of their personal information.

While businesses subject to the CCPA needed to comply by January 2020, the law became enforceable by the Attorney General of California on July 1, 2020 and authorizes a civil penalty up to \$2,500 for each violation or \$7,500 for each intentional violation, if a business fails to cure any alleged violation within 30 days after being notified of alleged noncompliance. The CCPA also provides a private right of action in connection with data security incidents involving a California resident’s personal information that result from a business’s failure to maintain reasonable and appropriate security procedures and practices. There is a risk that the measures taken by the Adviser, the Funds, or one or more portfolio companies to comply with the CCPA will not be implemented correctly or that individuals within the business will not be fully compliant with the measures. In the event of noncompliance with this law, the Adviser, the Funds, or such portfolio companies could face significant sanctions, as well as reputational damage, which could have a material adverse effect on the operations, financial condition and prospects of the Adviser, the Funds, or such portfolio companies.

***New and emerging laws.*** In addition, legal frameworks regarding privacy and cybersecurity are rapidly evolving, and proposed or new laws or regulations could significantly affect the Adviser, the Funds, and the Funds’ portfolio companies. The application, interpretation, and enforcement of these developing legal obligations are often inconsistent and uncertain, and may require the Adviser, the Funds, and the Funds’ portfolio companies to further modify certain of their respective information practices and could subject them to additional compliance costs and regulatory scrutiny. In the U.S., the California Privacy Rights Act of 2020, which was approved by California voters in November 2020 and takes effect on January 1, 2023 (with certain provisions having retroactive effect to January 1, 2022), amends and expands the CCPA by creating additional privacy rights for California residents, establishes the California Privacy Protection Agency to enforce the new law, makes providing a 30-day cure period optional for regulatory enforcement and imposes additional obligations on covered businesses. In addition, Virginia and Colorado recently enacted comprehensive privacy laws, which become effective on January 1, 2023 and July 1, 2023, respectively.

Similar to the CCPA, Virginia's and Colorado's laws impose a number of obligations on covered businesses in relation to the personal information of each state's residents. China also recently passed the Personal Information Protection Law, which is a comprehensive data protection law with extraterritorial effect that is modeled, in part, on the EU GDPR and became effective on November 1, 2021. There currently are a number of proposals for comprehensive privacy and data protection legislation pending before U.S. federal and state, and non-U.S. legislative and regulatory bodies that could impose new obligations in areas affecting the business of the Adviser, the Funds, and the Funds' portfolio companies. In addition, some countries are considering or have passed legislation requiring localized storage and processing of data or similar requirements that could increase the cost and complexity to the Adviser, the Funds, and the Funds' portfolio companies of delivering their services or could limit their ability to execute on their business plans.

***Legal and business risks.*** Any failure to comply with any applicable privacy or cybersecurity obligations may result in significant liability, which could have an adverse effect on investors in the Funds. Legal requirements related to privacy and cybersecurity, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, or make existing business unprofitable, result in negative publicity, increase the operating costs for the Adviser, the Funds, and the Funds' portfolio companies, require significant management time and attention, and subject the Adviser, the Funds, and the Funds' portfolio companies to remedies that may harm their business, including fines or demands or orders that they modify or cease existing business practices. Any inability, or perceived inability, to adequately address privacy or cybersecurity concerns, or comply with applicable laws, regulations, contractual obligations, or other legal obligations, could result in additional costs and liability and could adversely affect the Adviser, the Funds, and the Funds' portfolio companies.

The far-reaching impact of these laws across many business lines also provides an additional layer of compliance costs and considerations for the Adviser, the Funds, and the Funds' portfolio companies, especially where portfolio companies are dependent on monetizing customer data as a meaningful source of revenue.

There is a risk that the measures taken by the Adviser, the Funds, and the Funds' portfolio companies to comply with these laws and regulations will not be implemented or maintained correctly. If there are violations of these laws or regulations, the Adviser, the Funds, or a portfolio company could face significant fines or penalties, including those detailed above with respect to the GDPR, the UK GDPR, GLB/Regulation S-P, Section 5 of the FTC, the CCPA and other emerging privacy and cybersecurity laws, as well as reputational damage, which could have a material adverse effect on their respective operations, financial condition and prospects. The costs of compliance with, and other burdens imposed by these laws will be borne (whether directly or indirectly) by a Fund and may, therefore, affect any returns that would otherwise be available to investors in such Fund. Further, the Adviser, the Funds, and the Funds' portfolio companies may not be able to accurately anticipate the ways in which regulators and courts will apply or interpret such privacy and cybersecurity laws and if such laws are implemented or applied in a manner inconsistent with the Adviser's, the Funds', and the Funds' portfolio companies' expectations, it may result in the need to change business practices in a manner that adversely impacts the Funds.



***Environmental, Social and Governance Matters:*** Financially relevant environmental, social and governance (“ESG”) factors are only some of the many factors the Adviser will consider in making an investment. There is no guarantee that the Adviser will successfully make investments in companies that create positive ESG impacts, and it only will seek to make such investments to the extent it believes doing so would help to discharge the Adviser’s duty to maximize risk-adjusted returns by securing additional value or reducing ESG risk and otherwise consistent with the terms of the Funds. To the extent that the Adviser engages with companies on ESG-related practices and potential enhancements thereto, such engagements are generally ultimately intended to optimize value but may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Adviser will depend on the Adviser’s skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Furthermore, in many cases, the Adviser’s ability to engage with companies on ESG-related matters is expected to be limited, for example, as a result of the nature of the Fund’s investment. Considering ESG factors when evaluating an investment may result in the selection or exclusion of certain investments based on the Adviser’s view of the significance of those ESG-related and other factors, which view could ultimately prove to be incorrect for a multitude of reasons. There is the risk that, due to imperfect assessment of ESG factors or engagement with companies on such matters, the Adviser’s Funds may underperform other funds that do not take ESG-related factors into account or, conversely, its Funds could underperform specialized funds that are largely or exclusively focused on sustainable investing principles or ESG factors.

Consideration of ESG factors may affect the Adviser’s exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Adviser’s performance. Assessing ESG factors in investment decisions requires qualitative and subjective judgments by the Adviser, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor or group of investors. In evaluating a company, the Adviser may be dependent in part upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. In addition, the Adviser makes investment decisions based on circumstances as they exist at the time the investment is made, and developments that take place subsequent to the investment, where such developments are outside the Adviser’s control, may not conform to the Adviser’s expectations around ESG (for example, but not by limitation, concerning a portfolio company’s pivot in its use of technology or its changes to business plan). ESG-related practices differ by region, industry, company and issue and are rapidly evolving; accordingly, a company’s ESG-related practices or the Adviser’s assessment of such practices is likely to change over time. The legal and regulatory landscape relating to ESG is evolving quickly and there is expected to be a heightened focus on ESG practices and disclosures at the Adviser/Fund level as well as at the portfolio company, which is expected to include new regulations. Such increased scrutiny and new regulations in conjunction with an evolving regulatory landscape are likely to impose additional expenses related to compliance and a number of risks such as the difficulty of compliance or reputational harm as to any of these relevant constituents.

***Possibility of Fraud and Other Misconduct of Employees, Portfolio Companies and Service Providers:*** Misconduct by employees and contractors of the Adviser, Outside Support Providers, portfolio companies, portfolio company employees or service providers to the Adviser or the Funds and/or their respective affiliates could cause significant losses to such Funds. Such misconduct has occurred in the past and is likely to occur again in the future given the Adviser's scale and size. Misconduct may include, among other things, entering into certain transactions without authorization, the failure to comply with compliance, operational and risk procedures, including due diligence procedures, engaging in behavior that leads to cybersecurity and/or physical security risks, misrepresentations as to investments being considered by such Funds, which improper use or disclosure, noncompliance with applicable laws or regulations, or concealing of any of the foregoing, could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds. The activities described herein may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Adviser has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

***Amendments; Side Letters:*** The Organizational Documents of a Fund may be amended from time to time generally with the consent of the general partner and a majority in interest of the limited partners thereof, subject to certain exceptions set forth in the Organizational Documents. The Organizational Documents set forth certain other procedures for their amendments, including provisions allowing the general partners to amend the Organizational Documents without the consent of the limited partners in certain circumstances. The Adviser has in the past entered into, and expects to enter in the future into, side letter or other similar arrangements with certain investors in the Funds providing such investors with different or preferential rights or terms, without the approval or vote of any other investors, which would have the effect of establishing rights under, altering or supplementing the terms of the Governing Documents or the subscription agreement related thereto with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Any rights established, or any terms of the Governing Documents or any subscription agreement related thereto altered or supplemented in a side letter or other similar agreement with an investor will govern solely with respect to such investor notwithstanding any other provision of the Governing Documents or any subscription agreement related thereto.

***Pay-to-Play Laws, Regulations, and Policies:*** In light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state and local officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Adviser or its respective employees or affiliates fails to comply with such "pay-to-play" laws, regulations or policies, whether or not such non-compliance was intentional, it could have an adverse effect on the Funds by, for example, providing the basis for the withdrawal

of the affected government plan investor, and could be the basis for a violation of an applicable regulation.

***Charitable Contributions:*** Adviser Personnel may, from time to time, cause a Fund to make contributions to charitable initiatives or other non-profit organizations that the Adviser believes could, directly or indirectly, enhance the value of a Fund's portfolio investment or otherwise serve a business purpose for, or be beneficial to, a portfolio company or the Fund. Such contributions could be designed to benefit employees of a portfolio company or the community or industry in which the portfolio company operates or to advance an initiative supported by the portfolio company, and may but need not be requested by the portfolio company (including a request or offer to contribute made prior to the Fund making its investment in the portfolio company). Any such charitable contributions made by the portfolio companies or by the Fund, if material, could reduce a Fund's returns in respect of the relevant portfolio investment. There can be no assurance that any such charitable contributions will actually be beneficial to or enhance the value of the portfolio companies, or that the Adviser will be able to resolve any associated conflict of interest in favor of a Fund.

In addition, the Adviser may also invite any portfolio companies and/or any of its financing sources and service providers to support one or more causes or charitable organizations it or its personnel are supporting. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to, or otherwise benefit, current or former employees of the Adviser, or Senior Advisors, vendors or service providers, current or prospective investors, portfolio entity management and/or other persons or organizations associated with the Adviser, a Fund, or portfolio companies. These relationships could influence the Adviser in deciding whether to ask such parties if they are willing to consider making any such charitable contributions. Such relationships and the generosity of the parties asked could also influence the Adviser Personnel in the choice of which financing sources and service providers to use in the future (though best execution is always required in this decision-making process). Again, there can be no guarantee that any conflicts will be resolved in favor of the Funds, though care is taken to ensure that any conflicts are thoughtfully considered in this regard.

***Placement Agents:*** One or more parties have acted, and are expected to act, as placement agents (each, a "Placement Agent", and together, the "Placement Agents") for the interests in certain Funds and, in that capacity, act for the Advisers thereof and in such capacity would not act as investment advisers to potential investors in connection with the offering of the interests. Typically, the Adviser will pay each Placement Agent a placement fee that is either a fixed amount or is based upon the amount of interests committed to by investors that each such Placement Agent introduces to the Adviser. At various times, the Placement Agents may act as placement agents for other fund sponsors and funds, including unaffiliated fund sponsors and funds, which may offer interests that are similar to the interests in the Funds. Those unaffiliated sponsors may pay placement fees on terms different from the fees that the Placement Agents will receive from the Advisers in connection with the offerings of the Funds, and this difference in fees may influence the Placement Agents to introduce or not introduce potential investors to the Adviser. Furthermore, certain Placement Agents may seek to do business with and earn fees or commissions from other investment funds and their portfolio companies and affiliates of the Advisers. Examples of such business may include, without limitation: provision of financing or other investment banking services; lending or arranging credit; and provision of prime brokerage.

***Trade Policy Uncertainty:*** Recent developments in the United States and certain European nations have fueled doubts about the future of global free trade. For example, the U.S. government has imposed tariffs on certain foreign goods, including steel and aluminum, in recent years and has indicated a willingness to maintain those tariffs and impose new tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto.

In addition, on June 3, 2021, President Biden issued Executive Order 14032, entitled “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China”. This order amended and restated certain executive orders issued by former President Trump, and prohibits the purchase or sale by U.S. persons of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of identified Chinese companies.

Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Fund and its portfolio companies.

Although the United States and China entered into the “Phase One” economic and trade agreement in early 2020, there are still ongoing trade disputes between the two countries. If these disputes remain unresolved, they may be an ongoing source of instability. They could potentially result in significant currency fluctuations or have other adverse effects on international markets, international trade agreements, or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While these disputes have already had negative economic consequences on U.S. markets, to the extent they escalate into a “trade war” between the United States and China, there could be additional significant impacts on the industries in which the Funds participate and other adverse impacts on Fund investments.

Moreover, the U.S. government has imposed limitations on whether and how U.S. companies and, under certain circumstances, non-U.S. companies may interact with certain Chinese companies that are potentially important suppliers to, or customers for, U.S. companies. Further limitations are possible via the addition of companies to U.S. restricted parties lists; the imposition of licensing requirements for certain emerging and foundational technologies; changes to the export controls regulations to capture a greater number of items; and the expansion and enforcement of U.S. laws restricting imports of products made with forced labor. These measures could have a materially adverse impact on the Funds’ portfolio companies and their supply chain.

In addition, trade disputes may develop between other countries, which may have similar or more pronounced risks and consequences for the Funds or their portfolio investments (please see “*Russian Invasion of Ukraine*”).

***Changes Resulting from the United Kingdom’s Exit from the European Union:*** As part of the process of the United Kingdom (“UK”) leaving the European Union, the EU and the United

Kingdom agreed an EU-UK Trade and Cooperation Agreement (“TCA”) that governs the trading relationship between the UK and the member states of the EU from and after January 1, 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

The TCA does not provide for continued access by UK firms to the EU single market, or for EU firms access to the UK market, thus adversely affecting many businesses, including financial services firms—although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for the Funds.

It will take some time to observe the many and varied effects on UK and EEA businesses (and therefore asset values) of the consequences of the UK leaving the single market and customs union, taking into account the flow of goods and services in both directions. Given the size and global significance of the UK’s economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

The present uncertainty could therefore adversely affect the Funds, the performance of their portfolio investments and their ability to fulfil their investment objectives (especially if their portfolio investments include, or expose it to, UK businesses that have historically relied on access to the single market for their custom, or EU businesses that have historically relied on access to the UK market, or that, in either case, have historically relied on sourcing goods, materials or labor from the single market).

***Technological Innovations:*** Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that could affect the Funds and/or their investments or alter the market practices the Funds’ strategies have been designed to function within and on which the Funds’ strategies depend on for investment return. Moreover, given the pace of innovation in recent years, such technological innovation may adversely impact the Funds and/or their portfolio companies in a manner that may not have been foreseen, or foreseeable, at the time the Funds made their investments. Any of these technological innovations could damage the Funds’ investments, significantly disrupt the market in which they operate and subject them to increased

competition, which could materially and adversely affect their business, financial condition and results of investments. Additionally, the Adviser could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

***Climate Change:*** The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. For example, any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable, wildfires could result in cancellations of sports and/or media and other types of events); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

#### Risks Applicable to Silver Lake Alpine

*In addition to the risks described above, the following risks are primarily applicable to Silver Lake Alpine, and may be applicable to other Funds as well:*

***Loan and Debt Investments:*** The Fund expects to invest broadly across the capital structure with respect to downside protected securities. Such securities may be junior, subordinated and/or unsecured, and while these investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the portfolio company's assets, some or all of such terms may not be part of particular investments. In addition, it is not expected that Silver Lake will have the ability to substantially influence the portfolio company's affairs in connection with such junior, subordinated and/or unsecured investments or at least such influence will likely be substantially less than that of senior creditors. Such investments will rank behind the borrower's more senior indebtedness and will be subject to early repayment and other risks. The Fund may also invest in senior secured loans. Senior secured loans will not necessarily have priority over all other debt of an issuer and will face risk relating to the value of the securing collateral. Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance", (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination

claims by other creditors, (iv) so-called “lender liability” claims by the issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Moreover, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of a portfolio company.

***Parallel Funds:*** As part of the Silver Lake Alpine strategy, for certain Funds the Adviser has formed parallel funds in the form of an onshore fund and an offshore fund. The parallel funds will generally have similar investment programs, but differ for tax, legal, regulatory or other reasons as deemed appropriate by the applicable general partner. Certain conflicts may arise as the parallel funds may not both participate or one fund (more likely the offshore fund) may be excluded from participating in some investments made by the other fund due to investment restrictions, tax, legal, regulatory and other reasons.

***Borrower Fraud; Breach of Covenant:*** Silver Lake Alpine typically seeks to obtain structural, covenant and/or other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect and potential investors should regard an investment in Silver Lake Alpine as being speculative and having a high degree of risk. Of paramount concern in originating or acquiring the financing contemplated by Silver Lake Alpine is the possibility of material misrepresentation or omission on the part of the borrower or other credit support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of Silver Lake Alpine to perfect or effectuate a lien on the collateral securing the loan or otherwise realize on the investment. Silver Lake Alpine will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

***Inability to Vote Certain Positions or Act as Lead Arranger in Certain Situations:*** As a result of voting agreements or other arrangements relating to certain issuers and the investments held by Silver Lake Alpine or by any other Fund, Silver Lake Alpine Funds may be subject to restrictions on its ability to vote or take other actions with respect to certain companies and/or portfolio investments. In such situations, the general partner may not be able to vote or take other actions with respect to its portfolio investments in the manner that it otherwise would believe to be in the best interests of a Silver Lake Alpine Fund. Furthermore, Silver Lake Alpine’s partnership agreements require that in connection with Silver Lake Alpine exercising a right to vote, consent or similar right attaching to a particular debt instrument of Silver Lake Alpine, which is also another Fund’s portfolio company, Silver Lake Alpine must vote or give or withhold such consent in accordance with the recommendation of the applicable third-party administrative agent of the debt instrument, unless the applicable Silver Lake Alpine limited partner advisory committee otherwise consents to a Silver Lake Alpine Fund taking an alternative course of action with respect to a particular vote or consent or the limited partner advisory committee approves an alternative procedure with respect to the foregoing votes or consents by Silver Lake Alpine with respect to a Fund’s portfolio company. As a result of such policies, Silver Lake Alpine may vote its interests in a portfolio company in a way that it would not have had the Adviser instructed the vote, and Silver Lake Alpine may not achieve the results it otherwise would have had it been able to benefit from the Adviser’s management advice.

The Adviser has adopted additional policies and procedures in order to avoid or mitigate conflicts that may arise in connection with Silver Lake Alpine's investments in portfolio companies in which other Funds (which exist now or may in the future exist) have different principal investments. The foregoing policies and procedures may cause Silver Lake Alpine to limit its participation in certain investment opportunities, and the results of Silver Lake Alpine may be affected as a result.

***Risk of Subordination:*** The Funds invest in certain debt and debt-like investments. Some of the portfolio companies will be permitted to incur indebtedness that ranks senior to the Funds' investments. The terms of this indebtedness may provide that holders thereof are entitled to payments of interest or principal on or before the dates on which the Funds are entitled to payments of interest, dividends, principal, or liquidation preferences in respect of its investments. This indebtedness may prohibit portfolio companies from paying interest, dividends, principal, or liquidation preferences on a Fund's investments in the event of a default. In the event of default, insolvency, liquidation, or bankruptcy of a portfolio company, holders of indebtedness senior to those of a Fund will generally be entitled to full payment before the Fund receives any payment. At such time, holders of such indebtedness by means of their senior security position may exert influence over the portfolio companies that is inconsistent with a Fund's interests, including possibly effecting a restructuring that is unfavorable to the Fund's class of debt or debt-like securities, and accordingly, the Fund would incur losses. Indebtedness that ranks equal in payment priority with that of a Fund, or *pari passu*, will share in proceeds on a pro-rata basis with the Fund, and accordingly, there may not be sufficient proceeds to ensure repayment of the Fund's debt, and the Fund may incur losses. Additionally, portfolio investments that the Funds structure as secured debt investments, may be recharacterized by a bankruptcy court and subordinated to the claims of other creditors, depending upon the facts and circumstances including the degree of involvement in management or control wielded by the Funds. The Funds may also be subject to lender liability claims for actions taken by the Funds with regard to a portfolio company's business, including providing material assistance with management or exerting control, among other actions.

#### Risks Applicable to Silver Lake Long Term Capital

*In addition to the risks described above, the following risks are applicable to Silver Lake Long Term Capital. In addition, the long-term nature of the Fund's strategy increases the likelihood that the Fund will be impacted by one or more of the risks described herein and the extent of any such impact. Because the Fund is expected to participate through certain Side-By-Side Co-Investment Vehicles, the specific risks applicable to other strategies described herein will also be applicable to Silver Lake Long Term Capital to the extent it participates alongside such strategy.*

**Investments in Other Silver Lake Funds Generally.** The Fund is expected to invest a meaningful portion of its capital alongside other Main Funds through the Side-By-Side Co-Investment Vehicles. The overall success of the Fund depends not only on the ability of the Fund to effectively make direct investments but also the Adviser's ability to make successful investments through the applicable Main Funds alongside which the Fund invests. Accordingly, the Fund will be highly dependent upon the expertise and abilities of the Adviser and its personnel,



both those that have investment discretion over the Fund's assets and those that deploy capital within the various Main Funds alongside which the Fund invests.

The level of risk associated with the Fund's investments varies depending on the particular investment strategies utilized by the Adviser with respect to the applicable Main Funds alongside which the Fund invests. Each of the risks and conflicts set forth herein may or may not relate to any particular Main Fund. Potential investors in the Fund should carefully consider the risks associated with the Fund's investment strategy and those of the other Main Funds prior to investing.

The Adviser will have a conflict of interest in determining which Main Funds the Fund will participate alongside, and the extent of such participation. For example, the Adviser will have an economic incentive to elect the Fund to participate to a greater or lesser extent depending on the anticipated investments that will be made by such Main Fund(s) during the upcoming annual election cycle, as well as expected Carried Interest Silver Lake expects to receive (if any) from such Main Funds and/or the Fund at the time of such election. There can be no guarantee that such conflicts will be resolved in favor of the Fund. Additionally, the Adviser may, and in some cases will, have an incentive to cause the Fund to elect the full amount available in any given annual election cycle for Silver Lake Partners and/or Silver Lake Alpine in order to maximize its management fee and carried interest opportunities. To date, the Fund has invested alongside SLP VI but no other Fund.

**No Management or Control of the Silver Lake Funds.** With respect to the Fund's investments through Side-By-Side Co-Investment Vehicles, the Fund will be a passive investor investing alongside other Main Funds, and will have no management authority or governance rights with respect to any investments made within any particular Main Funds. Accordingly, the Fund will be relying on the management skill of the Adviser as sponsor and/or adviser of the respective Main Funds alongside which the Fund invests. In addition, the management, financing, investing and disposition policies of each Main Funds (and thus the Fund) generally will be determined by the Adviser and will not require the consent of the investors of either such Main Funds or the Fund. Any changes in such policies could be detrimental to the value of the Fund's investment and could cause the interests of the Fund, on the one hand, and those of the Adviser or the limited partners of the Main Funds, on the other hand, to diverge. In addition, since in many instances the structure and terms of an Investment will be primarily negotiated by the investment team of the Main Funds alongside which the Fund will also invest, the terms and structure of such investment may not necessarily take fully into account the interests of the Fund or its limited partners.

**Concentration of Investments in the Other Silver Lake Funds.** It is expected that a meaningful portion of the Fund's capital will be invested alongside Silver Lake Partners and, possibly, Silver Lake Alpine through Side-By-Side Co-Investment Vehicles. Accordingly, the Fund's investments may be concentrated in the limited universe of a particular strategy (or strategies), meaning that the performance of one or more of the Main Funds, or more specifically a particular strategy or even investment, may substantially impact, potentially negatively, the return of the Fund's investments as a whole. Furthermore, positive performance of one Main Fund may be offset by negative performance of another Main Fund. There can be no assurances or expectations that the

Fund will have exposure to any particular Main Fund and as previously noted, to date, no election has been made for the Fund to participate in the Silver Lake Alpine strategy.

**Differences Between Investing in Other Silver Lake Funds Directly.** The rights and benefits of each investor in the Fund will differ from the rights and benefits of those investors that have invested directly in a Main Fund with respect to which the Fund invests alongside (or in). Such differences and risks associated with such differences include, without limitation, the following:

***Timing of Capital Contributions.*** The investors in other Main Funds generally use subscription lines of credit in lieu of capital contributions to such other Main Fund Funds at the time investments are made, while limited partners of the Fund are expected to be required to contribute their capital prior to the closing of investments, thus likely reducing the rates of returns experienced by limited partners of the Fund compared to the rate of returns of the investors of such other Main Fund (unless a similar subscription facility is put in place for the Fund).

***Voting.*** Limited partners of the Fund will generally have no right to vote on matters presented to the limited partners of the other Main Fund Funds or Side-By-Side Co-Investment Vehicles.

***Privity.*** Limited partners of the Fund will not be limited partners of any other Main Fund (as a result of their investment in the Fund), will not be parties to any other Main Fund's Governing Documents and, accordingly, will not have any direct rights thereunder and therefore will have no direct recourse against any other Main Fund, their related vehicles, the general partner and/or investment advisor of any other Main Fund or any of their affiliates (other than the general partner of the Fund, the investment advisor of the Fund, and the Fund). The offering of interests in the Fund does not constitute, and should not be considered, an offering of interests in any other Main Fund. Limited partners should note that none of the persons or entities responsible for the organization, control, management or operations of the Fund, in such capacity, has the power to legally bind or commit any other Main Fund or the general partner and/or investment advisor of any other Main Fund, though some of these persons may separately serve in such a capacity with respect to an other Main Fund. Moreover, the Fund has no right to participate in the control, management or operations of any other Main Fund (other than the Fund). No other Main Fund is responsible for the formation, control, management or operation of the Fund (other than the investment advisor of the Fund). No other Main Fund or the general partner and/or investment advisor of any other Main Fund has participated or will participate in the offering of interests in the Fund, and none of the foregoing has or will have any responsibility for such offering.

***Reporting.*** The investors in other Main Funds generally will receive periodic reporting which includes investment by investment performance and, in some cases, commentary on recent developments at particular investment, which are not expected to be shared in all cases with limited partners of the Fund. In addition, representatives of investors in other Main Funds that serve as members of such other Main Fund's limited partner advisory committees may receive detailed information concerning various aspects of the activities of the other Main Fund in connection with the performance of their responsibilities. Therefore, investors in other Main Funds or their representatives on another Main Fund's

limited partner advisory committee may receive additional or more detailed reporting regarding the companies in which the Fund has invested.

**Investment Funds - Effect of Fees and Expenses on Returns.** The Fund may make investments in investment funds not sponsored by the Adviser (each, an “Investment Fund”). Investment Funds generally (i) pay (or require their partners to pay) their respective general partner and investment adviser or manager certain fees and incentive allocations; and (ii) bear certain costs and expenses. Those fees, expenses, and costs are in addition to those of the Fund. Such fees and expenses are expected to materially reduce the actual returns to limited partners of the Fund. Fees and expenses of the Fund and the Investment Funds in which the Fund invests will generally be paid regardless of whether the Fund or the Investment Funds produce positive investment returns. When making such investments, the Fund will be entirely reliant on the investment decisions of the sponsor of such Investment Fund. For purposes of the Fund’s Governing Documents, the fair market value of any investment in an Investment Fund will generally be the value of such interest as most recently reported to the Fund by the general partner of such Investment Fund. In some cases the Adviser has agreed in the past, and may agree in the future, with the other fund sponsor that if the sponsor has a role in bringing a new opportunity for another Fund, that sponsor will receive a form of consideration, which is generally expected to take the form of a portion of the general partner economics in a given investment opportunity, although may vary by opportunity. In this case, the Fund will bear fees and expenses in relation to the investment in that fund that could therefore provide a benefit to another Fund that will not bear such fees or expenses.

**Reliance on Sponsor of Investment Funds.** The Fund expects to invest in third party-sponsored Investment Funds. The Fund will not have an active role in the management of such funds or their portfolio investments and therefore will not have the opportunity to evaluate the specific investments made by any such fund after the Fund’s date of investment. Moreover, the Fund will likely not be able to dispose of its investment in any such fund despite poor performance. The returns of the Fund will depend in part the performance of these unrelated sponsors and could be adversely affected by their poor performance. Additionally, the general partner of the Fund will generally not be in a position to change such approach. Similarly, the general partner of the Fund will typically not be able to negotiate the level of any fee offsets and will not be responsible for determining whether sponsors are correctly calculating fees or fee offsets. The general partner of the Fund may not always receive full information from sponsors because certain of this information may be considered proprietary. The lack of access to information may make it more difficult for the general partner of the Fund to select and evaluate potential investments. The Investment Funds in which the Fund invests may also make investments in portfolio companies of other Funds, or companies where the Adviser or Adviser Personnel may have investments, or in the alternative, the Adviser or Adviser Personnel may invest in such Investment Funds or their investments, or have existing investments in the Investment Funds or their investments, at the time the Fund invests.

**Valuation Matters.** There will be no actively traded market for many of the securities or financial instruments owned by the Fund. While the valuation of portfolio investments will be determined in accordance with the Governing Documents and the Adviser’s valuation policies, and valuations are generally subject to multiple levels of review for approval, based on the Fund’s investments and size, the general partner may utilize different valuation methodologies than it uses in other Funds. For example, it is expected that valuations of Investment Funds and Fund Managers will

be based on the “reported value” of such investments and, depending on the level of information rights (or lack thereof), may not be independently verified or determined, as further described in the Partnership Agreement.

#### Risks Applicable to Silver Lake Kraftwerk

*In addition to the risks described above, the following risks are applicable to Silver Lake Kraftwerk:*

***Investments Dependent on Commodity and Energy Prices:*** The performance of certain of the investments of the Fund will likely depend upon prevailing prices of electricity and other commodities, such as oil, natural gas, coal, and ethanol/biodiesel, as well as other natural resources. As energy derived from traditional fossil fuels becomes more expensive, the value of clean technologies and renewable energy resources should increase as well. Conversely, if new oil or coal deposits are found, or if the cost of producing energy from these sources decreases significantly for other reasons, the demand for clean technologies and renewable energy resources will likely decrease. Commodity prices have been volatile and will likely continue to be volatile in the future. Commodity prices are subject to wide fluctuation in response to relatively minor changes in supply and demand, governmental regulation, market uncertainty, and a variety of additional factors that are beyond the control of the Adviser or the Fund. These factors include, without limitation, changes in consumer demand, weather conditions and temperature fluctuations, market uncertainty, domestic and foreign governmental regulations, the price and availability of alternative fuels, the competitive position of traditional fossil fuels as a source of energy as compared with other energy sources, refining and production capacity, the cost of production inputs for alternative fuels such as ethanol/biodiesel, political conditions in the Middle East, Africa, South America, Russia, and other oil producing regions, actions of the Organization of Petroleum Exporting Countries (“OPEC”), foreign supply of oil, the implementation of new drilling and energy harvesting initiatives, the price of foreign imports, and overall economic conditions.

Additionally, to the extent that recent technological progress in pollution control equipment for coal-fired generation plants makes it feasible for utilities to continue to operate those plants under newly mandated clean air regulations, continued use of coal in electric generation facilities will also apply downward pressure to the value of clean technologies and renewable energy resources as coal is plentiful in the U.S.

***Rapidly Evolving Market:*** The market for clean technologies and renewable energy resources is emerging and rapidly evolving, and its future success is uncertain. If alternative energy resources and technologies prove unsuitable for widespread commercial deployment, or if demand for such resources or products fails to develop sufficiently, the Fund’s portfolio companies could be unable to generate enough revenue to achieve and sustain profitability. In addition, demand for alternative energy resources and products may not develop or may develop more slowly than anticipated. Many factors will influence the widespread adoption of clean or alternative energy technologies and the demand for derivative energy products, including cost-effectiveness, the availability of governmental subsidies and other similar incentives for alternative energy producers, and the performance and reliability of alternative energy resources and technology.

***Government Support for Cleantech and Alternative Energy:*** Clean technologies and other alternative energy projects have in the past and/or continue to enjoy support from national, state, and local governments and regulatory agencies designed to finance the development of clean technologies and alternative energy resources, such as the previous federal production tax credit, various renewable and alternative portfolio standard requirements enacted by several states, alternative energy credits, and state-level utility programs, such as system benefits charge and customer choice programs. Similar support, initiatives, and arrangements exist in non-US jurisdictions as well. The combined effect of these programs has been to subsidize, in part, the development, ownership, and operation of clean technologies and alternative energy projects, particularly in an environment where the low cost of traditional fossil fuels otherwise makes the cost of producing energy from renewable sources uneconomic. There can be no assurance that government support for renewable energy will continue or that favorable legislation will pass. The elimination of, or reduction in, government policies that support renewable energy could have a material adverse effect on a portfolio company's financial condition or results of operation. Any reduction in or elimination of these programs could have an adverse effect on development of clean technologies and alternative energy projects.

***Energy Generation and Related Infrastructure Asset Risks, Business and Operating Risks:*** Investment in energy and related infrastructure businesses and/or assets involves several business-related risks. Portfolio company revenues can be affected by a number of factors including economic conditions, political events, competition, regulation, and the financial position and business strategy of counterparties. In addition, operating costs can be influenced by a wide range of factors, many of which are not totally under the control of the owner/operator, including the breakdown or failure of equipment or processes, labor disputes, industrial accidents, and the need to comply with the directives of central and local government authorities. Unanticipated changes in the availability or price of inputs necessary for the operation of projects and/or assets could adversely affect the overall profitability of an investment. Events outside the control of a portfolio company, such as demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, fee rates, social stability, technical obsolescence, competition from or other forms of energy, natural disasters (such as fire, floods, earthquakes, and typhoons), changes in weather, changes in demand for services, defective design or construction, bankruptcy or financial difficulty of a major counterparty, acts of war or terrorism, and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining, or restoring infrastructure facilities. In turn, this could impair a portfolio company's ability to repay its debt, make distributions to the Fund, or even result in termination of an applicable power purchase or other agreement. As a general matter, the operation and maintenance of energy generation and other facilities involve various risks, including labor issues, failure of technology to perform as anticipated, structural failures, and accidents. It is expected that applicable portfolio companies will maintain insurance to protect against certain risks, where available on reasonable commercial terms, such as business interruption insurance that is intended to offset loss of revenues during an operational interruption; however, such insurance is subject to customary deductibles and coverage limits, and may not be sufficient to recoup all of a portfolio company's losses. There can be no assurance that a portfolio company's insurance would cover liabilities resulting from claims relating to the design, construction, maintenance, or operation of the infrastructure facilities or other assets in which the

Fund may invest, lost revenues, or increased expenses resulting from such damage. Furthermore, once energy generation and related infrastructure assets of portfolio companies become operational, they may face competition from other energy generation and related infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

**Regulatory Approvals:** The Fund invests in certain portfolio companies it believes have obtained all material federal, state, local, or non-U.S. approvals required to operate. In addition, from time to time, the consent or approval of certain regulatory authorities is required in order for the Fund to acquire or hold certain portfolio companies. The Fund's portfolio companies could be adversely affected to the extent regulations or applicable laws change or become increasingly stringent as a result of judicial or administrative interpretations with respect thereto. Moreover, additional regulatory approvals may become applicable in the future as a result of the foregoing or for other reasons. There can be no assurance that the Fund's portfolio companies will be able to obtain all required regulatory approvals or once obtained to maintain such approvals in accordance with the requirements applicable thereto. Failure or delay in obtaining any applicable regulatory approvals could adversely affect the business of the Fund and impede the Fund's ability to effectively achieve its investment objective.

**High Capital Costs:** Energy projects, including those which focus on renewable energy sources, typically involve relatively high levels of upfront capital investment which entails a certain degree of risk. The return on investment in companies with high capital costs may not be achieved. If technologies underlying renewable energy or cleantech projects prove unsuitable for widespread commercial deployment, or if demand for such resources or products fails to develop sufficiently, the business of the Fund will be adversely affected.

**Political and Societal Challenges:** Energy and related projects will be subject to siting requirements. Concerns can also arise regarding some of the techniques used in the extraction of shale gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing (also known as "fracking"), which usually requires governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions. The failure of any portfolio company to receive, renew, or maintain any required permits or approvals, or any inability to satisfy any requirement of any permits or approvals, will result in increased compliance costs, the need for additional capital expenditures, or a suspension of project operations.

**Regulatory Risk:** In addition, the portfolio companies are subject to regulation by state agencies. Changes in applicable energy laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Regulatory changes in a jurisdiction where a portfolio company is located may make the continued operation of such portfolio company infeasible or economically disadvantageous, and any expenditures made to date by such portfolio company may be wholly or partially written off. The locations of the portfolio companies may also be subject to government exercise of eminent

domain power or similar events. In addition, certain portfolio companies do or may operate in a historically unregulated environment and may face operational and other risks as a result of new and evolving regulations. Any of these changes could significantly increase the regulatory-related compliance and other expenses incurred by the portfolio companies and could significantly reduce or entirely eliminate any potential revenues generated by one or more portfolio companies, which could materially and adversely affect returns to the Fund.

***Documentation and Other Legal Risk:*** In addition to the matters described above a portfolio company's business operations also typically involve complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements. It is not uncommon for energy and related resources assets to be exposed to a variety of other legal risks including, but not limited to, legal action from special interest groups. From time to time, interest groups use legal processes to seek to impede particular projects or operations to which they are opposed. See "*Political and Societal Challenges*" above.

***Environmental Risk:*** National and local environmental laws and regulations affect the operations of renewable energy generation businesses. The Fund has invested and may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations, and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments and could create liabilities which did not exist at the time of acquisition and that could not have been foreseen. Compliance with such current or future environmental requirements does not ensure that the operations of portfolio companies will not cause injury to the environment or to people under all circumstances, or that portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could lead to, among other things, government fines and stop-work injunctions and could have a detrimental impact on the financial performance of a portfolio company. There can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations, and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Fund) subject to environmental liability. However, a limited partner investor in the Fund may reduce its risk of such personal liability by avoiding activities with respect to the portfolio companies other than as specifically contemplated by the partnership agreement of such Fund.

***Operations and Maintenance Risk:*** The operations of renewable energy generation and related assets and businesses are exposed to unplanned interruptions caused by significant catastrophic

events, such as the force majeure type events described above, as well as by major plant breakdown, pipeline, or electricity line rupture or other disaster. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economic, to protect the business from these risks. Industrial action involving employees or third parties would disrupt the operations of resources projects. Renewable energy generation and related resources projects are exposed to the risk of accidents that could give rise to personal injury, loss of life, damage to property, disruption to service, and economic loss.

#### Risks Applicable to Silver Lake Waterman

*In addition to the risks described above, the following risks are applicable to Silver Lake Waterman:*

***Unavailability of Leverage:*** Silver Lake Waterman Fund II, L.P. is (and previously Silver Lake Waterman Fund, L.P. was) licensed as an SBIC. Silver Lake Waterman has raised additional Funds, some of which intend to utilize limited partnerships which are in the process of applying for (but may not necessarily be granted) leverage from the SBA, and some which will not apply for or utilize leverage. Being licensed as an SBIC does not automatically assure that a Fund will receive SBA debenture funding. Receipt of SBA debenture funding is dependent upon a Fund continuing to be in compliance with SBA regulations and policies and there being funding available. For example, the SBA has the right to restrict the leverage available if it determines that a Fund does not have adequate management. In the event that one or more of the principals were to cease or decrease his level of involvement in the management of a Fund, the SBA will likely restrict leverage until it determines the Fund has adequate management, which may require the addition of one or more qualified replacements acceptable to the SBA. The availability of qualified replacements with background and experience similar to that of the principals may be extremely limited, and there can be no assurance that a Fund will be able to identify one or more qualified replacements or that any replacements proposed by a Fund will be acceptable to SBA. Furthermore, the amount of SBA debenture funding available to SBICs is dependent upon annual Congressional authorizations and in the future, may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient debenture funding available at the times desired by a Fund, thereby reducing a Fund's ability to make portfolio investments and implement its investment strategy. As a condition to any SBA leverage draw by any of the Funds that are SBICs whereupon the aggregate outstanding SBA leverage owing by them would exceed \$150 million, no Fund that is an SBIC is permitted to be in a condition of "Capital Impairment" (see risk factor below) under the SBIC Act. Accordingly, a condition of Capital Impairment by a Fund could potentially reduce the amount of SBA leverage available to another Fund. Thus, the ability of a Fund to access the full amount of SBA leverage that may be available to it will depend upon the repayment of SBA leverage by the other Funds and the other Funds not being in a condition of Capital Impairment.



***Regulation by the SBA:*** The Funds that are subject to SBA regulations and policies may face changes in regulations and policies during their Fund life in ways that might require the Funds to alter their business activities or that may otherwise have a negative impact on the Funds. Current SBA regulations provide the SBA with certain rights and remedies if a Fund violates their terms. A key regulatory metric for the SBA is the extent of “Capital Impairment,” which is the extent of realized (and, in certain circumstances, net unrealized) losses incurred by an SBIC compared with such SBIC’s Regulatory Capital (as defined under SBA regulations). Interest payments, management fees, organization, and other expenses are included in determining “realized losses”. SBA regulations preclude the full amount of “unrealized appreciation” from investments from being considered when calculating Capital Impairment in certain circumstances. Remedies for regulatory violations are graduated in severity depending on the seriousness of Capital Impairment or other regulatory violations. For minor regulatory infractions, warnings are often given. For serious infractions, the use of debentures may be limited or prohibited, outstanding debentures can be declared to be immediately due and payable, restrictions on distributions and making new investments may be imposed, management fees may be required to be reduced, and investors may be required to pay their unfunded capital commitments to the SBIC. In severe cases, the SBA may require the limited partners to remove a Fund’s general partner or its officers, directors, managers, or partners, or the SBA may obtain appointment of a receiver for the Fund.

***Use of SBA Debenture Leverage:*** The Funds which are SBICs will seek to borrow money under the SBA debenture program, which increases the risk of investing in these Funds. The use of leverage magnifies the potential for both losses and gains with respect to portfolio investments. Leverage is generally considered a speculative investment technique, and there can be no assurance that these Funds will generate returns that exceed the crossover point whereby the use of leverage results in net returns to limited partners that exceed the returns generated had these Funds been unleveraged. Leverage could allow these Funds to acquire portfolio investments that in total are substantially larger than the Funds’ capital commitments, thereby amplifying the effects of changes in the value of portfolio investments upon distributions and returns to the partners both negatively and positively. As a result of the commitment fees, repayment obligations, and semi-annual interest payments to which SBA debentures are entitled, the Funds’ investors may realize a lower return than they otherwise would have if they had made an investment in a fund that did not use SBA leverage, and may realize no return when they would have realized a positive return if they had made an investment in such a fund. Lenders of senior securities to these Funds, including the holders of SBA debentures, will have fixed dollar claims on the Funds’ assets that are senior in priority to the claims of the Funds’ limited partners. SBIC regulations currently permit an SBIC to borrow up to \$175 million, or a group of SBICs under common control to borrow up to \$350 million, subject to an overall limit of two times Regulatory Capital, among other things. As a result, maximum leverage for the applicable Funds would be achieved with a 2:1 ratio of leverage to commitments. The payments to which SBA debentures are entitled reduce or eliminate returns to the limited partners even if a Fund does not generate sufficient returns in excess of such payments. In addition, because the portfolio investments are illiquid, the Funds may be unable to dispose of them or may be required to dispose of them at a disadvantageous price in the event that the Funds need to do so to satisfy repayment obligations under the SBA debentures, and, as a result, the Funds would incur losses.

**Limits on Distributions:** Pursuant to SBA regulations, an SBIC with outstanding debentures may distribute cumulative realized profits (less unrealized losses on investments) to its investors, but it may not return more than 2% of its Regulatory Capital to investors in any fiscal year without the SBA's prior approval. Historically, the SBA has permitted repayments in excess of 2% only pursuant to an approved "wind-up" plan filed by an SBIC pursuant to which the SBA determines that repayment of the outstanding debentures is adequately assured. These limits on distributions may result in investors in the Funds receiving "phantom income".

**Changes in Interest Rates:** Because the Funds which are SBICs utilize SBA debentures to fund a significant portion of its portfolio investments, a material percentage of these Funds' returns will rely upon the spread between the cost of capital at which these Funds borrow, and the interest rates at which these Funds deploy capital. The interest rate on SBA debentures is generally fixed after draw for up to 10 years in poolings of SBA leverage that take place twice per year, while the interest rates on the portfolio investments are generally set at the time that capital is deployed, and may have both fixed and floating rate components for an expected duration to maturity of 3-5 years. Because the interest rates at which these Funds borrow will generally be fixed, while the interest rates at which these Funds deploy capital will adjust over time, the spread between these two interest rates may decline during a period of falling interest rates. A Fund may not capture the same benefit of falling interest rates for its cost of capital that these Fund may have captured had it borrowed on a floating rate basis. Furthermore, because these Funds are expected generally to borrow SBA debentures with a term of up to 10 years, while lending money to portfolio companies with an expected duration of 3-5 years, these Funds may have the opportunity to reinvest capital in additional portfolio investments in accordance with the terms of the Funds' partnership agreements. Reinvestment entails additional risks, including the risk that reinvested proceeds will have lower interest rates. As a result, a significant change in interest rates could have a material adverse effect on these Funds' returns. Additionally, in periods of rising interest rates, the interest rate on SBA debentures that have not yet been drawn down by a Fund could be fixed at higher rates than at present, potentially reducing the spread between a Fund's cost of capital and the interest rates at which the Fund deploys capital, thereby reducing the Fund's returns. Although the Adviser will attempt to maintain an attractive spread, there can be no assurance that increased costs can effectively be passed on to the portfolio companies over time.

**Restriction on Investments:** Because the Funds which are licensed as SBICs will seek to access SBA debentures, these Funds are subject to SBA regulatory restrictions that may materially limit the types of investments that the SBIC Funds may pursue and may place the Funds at a competitive disadvantage to other funds that are not subject to such restrictions. There can be no assurance that the potential benefits of accessing SBA debentures will outweigh the costs of complying with SBA regulatory restrictions. In particular, these Funds are limited to invest in qualified small businesses that do not exceed certain size restrictions, and also face restrictions on how investments may be structured and priced. As more particularly described in the U.S. Code of Federal Regulations 13 CFR §§ 101 to 121.201, these Funds may generally only invest in businesses that have both a tangible net worth of less than \$19.5 million and net income of less than \$6.5 million, although there is an alternative test based on gross revenues or number of employees tied to the predominant industry of the business. Furthermore, these Funds must invest at least 25% of its invested funds in "smaller enterprises" that have both a tangible net worth of less than \$6 million and net income of less than \$2 million or meet the alternative test. Net income

tests are generally based upon the average after tax income of the prior two years. Additionally, as more particularly described in U.S. Code of Federal Regulations 13 CFR § 107.855, these Funds are subject to cost of money restrictions that generally prohibit a Fund from charging interest rates in excess of 14% per annum on debt investments with equity features, with the exception of certain fees, and 19% per annum on straight debt. These Funds are also subject to additional restrictions on the minimum duration of its debt investments and the structure of its prepayment fees, among other things. Accordingly, the scope of these restrictions may increase the risk of investing in the Funds.

***Equity Investments:*** Portfolio investments had in the past been largely composed of credit and credit-like investments that typically include an equity or equity-linked component. In recent Funds, the Funds have made, and are expected to continue to make, so-called “direct equity investments” (in contrast to equity such as warrants that are acquired where linked to a credit investment), including by purchasing preferred equity securities. The Funds have in the past invested, and are likely in the future to invest, in preferred stock that has downside protection (for example, a 1x liquidation preference), and/or contractual return characteristics, similar to a credit structure. In structuring each portfolio investment, the Adviser considers the relative amounts of current income and equity appreciation to pursue, the sum of which can offer varying degrees of risk and return. The interest rates, dividends, warrants, and liquidation preferences that the Adviser can negotiate and structure with regard to portfolio investments, and the proportion of these components, is determined by the Adviser on a deal-by-deal basis and in accordance with circumstances and market conditions. In addition, a Fund may acquire the rights to purchase equity in the course of its business, and accordingly, may make direct equity investments (such as preferred or, less frequently, common) in companies pursuant to these rights. These investments are determined by the general partner.

Equity investments have the potential to enhance returns, but there can be no assurance that a Fund’s equity investments will be successful. Both equity-linked investments such as warrants and other securities, and direct equity investments, may not appreciate in value and may experience losses. Direct equity investments typically involve a greater risk of loss of principal than a Fund’s holdings of credit investments with attached equity securities or warrants, and an increase in direct equity investments made by a Fund is likely to increase the risk profile of such Fund relative to Funds which have fewer direct equity investments. Warrants frequently have a cashless exercise option that may enable a Fund to realize a gain without incurring the risk of a material cost basis, whereas preferred or direct equity investments will always have a cost basis at risk of loss. Additionally, from time to time the Adviser may determine that it is appropriate to exercise a warrant for cash instead of using any cashless exercise option, which would entail the same risks as a direct equity investment. The pursuit of direct equity investments increases the risk that a Fund will be unable to service its debt, including its SBA debentures (where applicable), due to the fact that direct equity investments generally do not provide significant current income. As a result, the pursuit of direct equity investments increases the risk that a Fund will incur losses in this manner as well. In addition, the making of direct equity investments also increases the risk that the applicable Funds would fail to make the payments to the SBA required in connection with its use of SBA debentures, and therefore the risk that these Funds will fail to comply with SBA regulations. The performance of direct equity investments may be substantially lower than expected and therefore may materially impact a Fund’s ability to generate superior risk-adjusted

returns. Direct equity investments are inherently more risky than credit-like investments, more volatile, more difficult to realize, and therefore would raise the risk of investing in a Fund or cause a Fund to incur losses.

***Deferred Income:*** Typically, a Fund's credit investments will be structured with varying interest rates and/or possibly liquidation preferences or dividends that are to be paid in a combination of cash on a regular basis or deferred interest income or dividends structured as payment-in-kind, non-cash pay, or liquidation preferences, proportions of which may vary. As such, there may and likely will be a deferred income component in a Fund's credit investments under which interest, dividends, or liquidation preferences will be accrued upon such investments' principal balances and due at the maturity or realization date of such credit investments. This means a varying proportion of a Fund's income may not be paid in cash and may not be available for distributions at the same time that it contributes to the Fund's reported returns, potentially generating a tax liability. The proportion of a Fund's income that is structured as deferred income will be determined by the Adviser based upon circumstances and market conditions on a deal-by-deal basis. There is less certainty in the collection of deferred income than there is in the regular collection of interest payments or dividends paid in cash, which may increase the risk of investing in the Funds.

***Value of Collateral and Liquidation Preferences:*** A Fund is dependent upon the value of a security interest it obtains in the tangible or intangible assets of its portfolio companies, or liquidation preferences based upon enterprise value in the case of certain investments, to mitigate risk and provide an additional source of secured repayment and/or realization for the mezzanine investments due to a Fund. There is no guarantee that a Fund's security interest will offset losses in whole or in part. Evaluating the potential value of a Fund's collateral or liquidation preference based on enterprise value involves a high degree of subjectivity and uncertainty, in part due to the fact that companies in the technology, technology-enabled, and other growth industries operate in a rapidly evolving marketplace in which the value of their products, services, and assets is subject to considerable fluctuation or reduction. Additionally, structuring and implementing a security interest or liquidation preference that can effectively access collateral or realize enterprise value involves risks. If the assets or enterprise value securing a Fund's investments deteriorate in value, or if a Fund's security position or liquidation preference is subordinated to or otherwise compromised by other interests seeking repayment or realization from the same collateral or enterprise value, a Fund may not be able to recover the principal balance of its investments or any unpaid interest, fees, dividends or liquidation preference, and may experience losses. These potential losses could be exacerbated by a Fund's use of leverage.

***Risk of Subordination for Credit and Credit-Like Investments:*** The Funds often invest in portfolio companies through credit and credit-like investments which may include mezzanine securities among others. Some of the portfolio companies will be permitted to incur indebtedness that ranks senior to such Fund's credit or credit-like investments. The terms of this indebtedness may provide that holders thereof are entitled to payments of interest or principal or entitled to a liquidation preference, on or before the dates on which the Fund is entitled to payments of interest or principal, or liquidation preferences in respect of its investment(s). This indebtedness senior to a Fund's investment may prohibit portfolio companies from paying interest, dividends, principal, or liquidation preferences on a Fund's investments in the event of a default. In the event of default,

insolvency, liquidation, or bankruptcy of a portfolio company, holders of indebtedness senior to those of a Fund will generally be entitled to full payment before the Fund receives any payment. At such time, holders of such indebtedness by means of their senior security position may exert influence over the portfolio companies that is inconsistent with a Fund's interests, including possibly effecting a restructuring that is unfavorable to the Fund's class of debt securities, and accordingly, the Fund would incur losses. Indebtedness that ranks equal in payment priority with that of a Fund will share in proceeds on a pro-rata basis with the Fund, and accordingly, there may not be sufficient proceeds to ensure repayment of the Fund's investments, and the Fund may incur losses. Additionally, portfolio investments that a Fund structures as secured debt investments may be recharacterized by a bankruptcy court and subordinated to the claims of other creditors, depending upon the facts and circumstances including the degree of involvement in management or control wielded by a Fund. A Fund may also be subject to lender liability claims for actions taken by a Fund with regard to a portfolio company's business, including providing material assistance with management or exerting control, among other actions. The Fund also invests in direct equity and equity-linked securities. In such circumstances where there is other equity in a portfolio company that is *pari passu* to the Fund's equity, that other equity will share in proceeds on a pro-rata basis with the Fund and, just as in the case of debt, there may not be sufficient proceeds to ensure repayment of the Fund's investments, and the Fund may incur losses.

***Prepayment of Portfolio Investments:*** A Fund is subject to risk that the Fund's credit investments will be prepaid prior to maturity, thereby reducing the amount of interest or dividends earned on these investments. Prepayments occur frequently at the time of liquidity events, such as public offerings or mergers and acquisitions. The investment terms upon which the Funds which are SBICs make investments are regulated by the SBA and, by regulation, allow for prepayments with specified penalties that reduce over time. When a Fund experiences a prepayment, proceeds may be invested in temporary investments that are lower yielding than typical investments, and there may be delays in reinvesting capital. Prepayments that occur after the end of a Fund's investment period may not be reinvested, meaning that the Fund may not be able to replace the interest or dividend income lost due to the prepayment, potentially lowering the Fund's returns. Reinvestment may be at lower yields than a Fund had previously attained, or may involve higher degrees of risk of principal loss. At the same time, there are inherent risks if a Fund does not receive adequate prepayment of investments. There is significant timing uncertainty concerning prepayment of the portfolio investments. There can be no assurance that a Fund will experience prepayments in amounts or at times that are favorable, and as a result a Fund's returns and distributions could be materially impaired.

***Illiquid and Long Term Investments:*** It is anticipated that there will be a significant period of time (up to six years or more) before a Fund will have completed making its investments (including all follow-on investments) in portfolio companies. The Adviser anticipates that a Fund's investments will often take from three to five years or more from the date of initial investment to reach maturity, when the principal balance of its investments are due and payable. Certain events, such as a prepayment, default, or a negotiated restructuring of terms, may shorten or lengthen the term of these investments. A Fund's investments, which may include direct equity (including preferred equity) or equity-linked securities such as warrants, will not generally have a contractual maturity date, and the timing of their realization, if any, is highly uncertain and unpredictable. Warrants, for example, generally expire five to ten years after their issuance. If exercised, the

underlying equity securities generated by warrants may require additional time to be liquidated, the amount of which is highly uncertain. Actual time to realization may vary considerably due to the fact that the portfolio investments will generally be structured with both credit and equity components that may be realized at different times and through different mechanisms of liquidity. A Fund's investments will often be structured to provide for current income to the Fund through periodic payments of interest, fees and dividends. Subject to SBA regulations on distributions, current income generated by the Funds which are SBICs may be able to be distributed to limited partners provided that cumulative distributions do not exceed cumulative realized earnings less unrealized depreciation on portfolio investments. However, cash flows realized by a Fund during its six-year investment period may be reinvested into additional portfolio investments at the discretion of the general partner. In light of the foregoing, it is likely that no significant return of principal will occur until six and possibly ten or more years from the date of closing of a Fund, and distributions of interest, fees, dividends or other cash flows are subject to the aforementioned restrictions. Often, there will be no readily available market for credit or equity portfolio investments. Disposition of such investments may require a lengthy time period or may result in distributions in-kind to investors, as has occurred multiple times in the recent past in certain other Silver Lake Funds and the Adviser expects to happen often in the future in certain funds. A lack of liquidity or demand for a Fund's investments would adversely impact its ability to sell or realize any of its portfolio investments, or would prevent a Fund from doing so at a favorable price. As a result, a Fund could incur substantial losses.

A Fund's ability to realize returns on its direct equity and equity-linked securities may be dependent upon portfolio companies ultimately achieving a liquidity event, either through a merger or acquisition, a reorganization, or public or secondary offering of equity. To a certain extent, a Fund's ability to make investments also depends upon portfolio companies achieving a liquidity event, as new investments are frequently made out of proceeds from such liquidity event of an existing portfolio company. Portfolio companies are expected to be relatively small in relation to publicly-traded companies, and this small scale reduces their ability to achieve a successful liquidity event for the Fund. In many cases, there will be no public market for the securities held by a Fund at the time of their acquisition and there may also not be a readily available secondary market for interests in such Fund. A Fund will generally not be able to sell a portfolio investment in the public market unless its sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available (and in either case, such a sale is likely to be subject to a discount relative to what might have been obtained absent any such restriction). In addition, a Fund will likely be prohibited by contract or other limitation in some cases from selling a portfolio company's securities or other instruments for a period of time (for example, but not by limitation, due to restrictions on sale arising from contractual lockups, obligations to receive consent to transfer or assign interests, or rights of first offer), and as a result may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so. To the extent that there is no liquid trading market for an investment, a Fund may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers for the portfolio investments will be found. Similarly, due to the nature of the underlying investments, the sale of such portfolio companies may be subject to various regulatory approvals. Furthermore, companies in the technology, technology-enabled, and other growth industries by their nature are subject to industry cyclicalities, technological disruptions, downturns in demand,

market disruptions, and the lack of available capital for potential purchasers and are therefore often difficult or time consuming to liquidate.

Upon dissolution of a Fund or as otherwise provided in its partnership agreement, non-marketable or marketable portfolio investments may be distributed in-kind, in which case limited partners may then become minority debt holders or shareholders in a number of unlisted companies (and as a consequence be unable to protect their interests effectively).

***Passive Investments; Inability to Control:*** Portfolio investments are expected often to be structured as downside protected investments, often with contractual returns, although the Fund has in the past made, and intends in the future to make, meaningful direct equity investments. As a minority investor, a Fund does not generally expect to control the portfolio companies or to have the right to appoint a director or otherwise exert significant influence or protect its position. In the event that a Fund negotiates financial covenants or other restrictions in conjunction with some of the Fund's investments that limit or otherwise restrict some of the business operations of the portfolio companies or provide a Fund with certain rights, such covenants and rights would not be designed to provide a Fund with control of the portfolio companies and would in fact likely present additional risks such as those associated with lender liability. With respect to a Fund's direct equity investment in a portfolio company, such investments will not generally provide a Fund with a control position. In each such case, a Fund will be significantly reliant upon the existing management and board of directors, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with those of the Fund. Accordingly, a Fund is subject to risk that portfolio companies may make business decisions with which the Adviser may disagree, and a Fund will have limited recourse. A lack of liquidity for the portfolio investments would prevent a Fund from disposing of portfolio investments when such a conflict occurs, and as a result, a Fund could incur losses.

***Covenants and Cross-Defaults:*** The Funds may negotiate financial covenants in conjunction with some of the Funds' investments, or invest in portfolio companies that are subject to the financial covenants of senior lenders. A portfolio company's failure to meet financial or operating covenants negotiated by the Funds or senior lenders could result in one or more defaults and, potentially, acceleration of principal and interest obligations and foreclosure upon its assets, which could trigger a cascade of cross-defaults under other legal agreements and ultimately jeopardize the portfolio company's ability to operate and meet its obligations under the various investments that the Funds may hold. As a result, it is possible that the existence of covenants leads to suboptimal investment outcomes for the portfolio investments compared to investing in portfolio companies without financial covenants, and as a result, the Funds could incur losses. Additionally, the Funds could incur additional expenses in the process of resolving issues arising in connection with breaches of covenants and defaults.

***Legal, Tax, and Regulatory Risks:*** Legal, tax, and regulatory changes could occur during the term of the Funds that adversely affect the Funds, their portfolio companies, or partners. In particular, each Fund which is licensed as an SBIC under the SBA debentures program will be affected by any changes to the regulations governing the SBA's debentures program. For example, from time to time, the code of federal regulations is amended to change the amount of financing or the cost of financing available to SBIC funds under the debentures program. The size

restrictions and cost of money limitations respectively governing in which small businesses these Funds may invest and on what terms the Funds may do so, may change in accordance with SBA regulations. For example, SBA regulations under the 2009 American Reinvestment and Recovery Act, or “ARRA,” reflect the leverage available to any one particular SBIC from \$137 million to up to \$150 million. Also, the ARRA increased the total amount of leverage available to a group of SBIC funds under common control from \$137 million to up to \$350 million. In 2018, upon signing of the Small Business Investment Opportunity Act of 2017, the amount of leverage available to any one particular SBIC was further increased from \$150 million to \$175 million. Although recent changes have been favorable, there can be no assurance that future changes to SBA regulations will be of benefit to these Funds and may in fact be contrary to the interests of the Funds and impair returns. The Funds will not request any ruling from the U.S. Internal Revenue Service (“IRS”) as to any federal income tax consequences relating to the structure or operation of the Funds. There can be no assurance that any tax position taken by the Funds will not be challenged by the IRS. One such tax risk is that a limited partner may be allocated income and gain that is taxable for federal (and possibly state and local) income tax purposes without a corresponding cash distribution and without the ability to withdraw funds from the Funds to pay the tax thereon.

#### **Item 9. Disciplinary Information**

Item 9 is not applicable to the Adviser.

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

##### **Related General Partners**

Certain entities controlled by or under common control with Silver Lake Technology Management serve as general partners of the Funds. For a description of any material conflicts of interest created by the relationship between the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

##### **Affiliate Advisers**

Silver Lake Technology Management currently has 15 adviser subsidiaries based in the United States: Silver Lake Management Company III, L.L.C.; Silver Lake Management Company IV, L.L.C.; Silver Lake Management Company V, L.L.C.; Silver Lake Management Company VI, L.L.C.; Silver Lake Management Company VII, L.L.C.; Silver Lake Management Company SPV-1, L.L.C.; Silver Lake Management Company SPV-2, L.L.C.; Silver Lake Management Company SPV-3, L.L.C.; Silver Lake Waterman Management Company, L.L.C.; Silver Lake Waterman Management Company III, L.L.C.; Silver Lake Alpine Management Company, L.L.C.; Silver Lake Alpine Management Company II, L.L.C.; Silver Lake Management Company LTC, L.L.C.; Silver Lake Management Company Sumeru, L.L.C.; and Silver Lake Kraftwerk Management Company, L.L.C. (collectively, the “Adviser Subsidiaries”).

Although the Adviser employs its own investment advisory personnel, the Adviser also utilizes the services of and obtains assistance from Silver Lake Europe LLP; SLTM (HK) Limited; Silver Lake Technology Management (S) Pte. Ltd.; Silver Lake Asia Limited; Silver Lake (Shanghai)



Investment Consulting Co., Ltd.; and Silver Lake Cayman, L.P. (collectively, the “Foreign Affiliate Sub-Advisers” and together with the Adviser Subsidiaries, the “Affiliate Advisers”). The Foreign Affiliate Sub-Advisers, to the extent they assist the Adviser in rendering investment advice with respect to one or more Funds, are considered “participating affiliates” of the Adviser and comply with the required record keeping and inspection provisions of the Investment Advisers Act of 1940 (as amended, the “Advisers Act”) set forth in the *Uniao de Bancos de Brasileiros S.A.* (July 28, 1992) no-action letter and similar SEC staff no-action positions. The Adviser subjects each of the Foreign Affiliate Sub-Advisers and their respective employees to the Adviser’s regulatory oversight and its Code of Ethics (see Item 11) together with its other compliance policies and procedures as adopted pursuant to the requirements of the Advisers Act (in addition to applicable local laws and regulations). Certain Foreign Affiliate Sub-Advisers are registered with the regulatory authorities in their local jurisdiction based on their particular business and requirements of local law. Typically, these Foreign Affiliate Sub-Advisers identify, evaluate and monitor investment opportunities and investments in the foreign jurisdictions in which they are located solely to advise the Adviser on investment opportunities for a Fund. The Foreign Affiliate Sub-Advisers also meet with potential and current non-U.S. investors but do not make investment-related decisions.

The Funds will have certain conflicts with the Adviser, affiliates of the Adviser, and other clients advised by the Advisers or affiliates of the Adviser. Consequently, for purposes of Items 6 and 11, (i) “Adviser” includes Silver Lake Partners, Silver Lake Long Term Capital, Silver Lake Sumeru, Silver Lake Kraftwerk, Silver Lake Waterman, Silver Lake Alpine, and the Foreign Affiliate Sub-Advisers, and (ii) “Fund” includes any Fund advised by the Adviser.

### **Related Investment Advisers**

Former Adviser Personnel (as defined in Item 11, below), including former Silver Lake Sumeru professionals, have begun working for other investment advisers (each such adviser, an “Other Adviser”) that are unaffiliated with Silver Lake. Adviser Personnel may invest in and alongside, and the Funds may invest alongside or otherwise do business with, funds managed by former Adviser Personnel or Other Advisers. For more information on the Other Advisers and any conflicts of interest related thereto, please see Item 11 below.

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

### **Code of Ethics**

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers, and employees, as well as members, officers, and employees of its affiliates (together, “Adviser Personnel”) and certain other personnel, independent contractors and non-employee advisors (collectively, “Adviser Covered Persons”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Covered Persons and their covered family members are generally restricted from purchasing public company stocks, subject to certain exceptions. Under the Code of Ethics, Adviser Covered Persons are required to file certain periodic reports with the Adviser as required by Rule 204A-1 under the

Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

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

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Sharon B. Binger, Managing Director, Chief Compliance Officer & Head of Litigation: Silver Lake, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

### **Participation or Interest in Client Transactions**

Entities affiliated with, and personnel of, the Adviser invest in and alongside the Funds, either through the general partners, as direct investors in the Funds, or otherwise, such as through Side-By-Side Co-Investment Vehicles. No Advisory Fee is charged nor Carried Interest taken on investments held by such persons except as otherwise noted herein with respect to Silver Lake Long Term Capital. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “*Conflicts of Interest*” immediately below.

Due in part to the fact that potential investors in a Fund (including a purchaser of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) ask different questions and request different information, the Adviser from time to time regularly provides certain information to one or more prospective investors or limited partners that it does not provide to all of the prospective investors or limited partners. The fact that the Adviser has provided such information upon request by one or more limited partners does not obligate the Adviser to affirmatively provide such information to all limited partners, nor does it intend to do so. As a result, certain limited partners will have more information about a Fund than other limited partners, and the Adviser has no duty to, and does not intend to, ensure all limited partners seek, obtain or process the same information regarding a Fund and its investments and/or portfolio companies.

### **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management, and other services to the Funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Adviser, other Funds, co-investment vehicles, or their respective affiliates. A description of certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below. Further, the Adviser has a Conflicts Committee that, among other things, is designed to review other scenarios that may implicate potential conflicts of interest, such as an allocation of an opportunity to one strategy or another, or between Funds if the opportunity to share investments presents itself.

The Adviser from time to time establishes certain investment vehicles through which certain Adviser Personnel, and independent contractors and/or the family members of the Adviser, and/or family members of the Adviser's affiliates, certain limited partners of the Main Funds, certain business associates, or other persons close to, or otherwise having a special relationship with, the Adviser invest alongside one or more Main Funds in one or more investment opportunities. Such vehicles generally are contractually required, as a condition of investment, to purchase and exit their investments in each investment opportunity at substantially the same time, and on substantially the same terms, as the applicable Main Fund that is invested in that investment opportunity. Such co-investment vehicles (including Side-By-Side Co-Investment Vehicles) typically do not pay Advisory Fees or Carried Interest or Break-up Fees (although Silver Lake Long Term Capital is expected to bear its pro rata share of any Break-Up Fees).

### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's reasonable judgment, in consultation with its Conflicts Committee, as appropriate, but in its sole discretion. There can be no assurance that the Adviser's own interests will not influence its conduct and decisions. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Conflicts may be managed by, without limitation:

- establishing an information barrier or other similar restriction to segregate the information within the Adviser which may give rise to a conflict, although the Adviser is only able to do this in certain circumstances since it currently generally runs a unified business;
- segregating responsibilities of individuals or causing any affected individual to appropriately recuse himself or herself from any relevant matter;
- seeking to ensure that the interests of the Adviser and the Funds are aligned to the greatest extent practicable and to minimize non-conforming treatment or the creation of differential interests in the structuring of the applicable arrangement;
- adopting and implementing policies and procedures designed to reduce or eliminate certain conflicts of interest;
- acting in a manner prescribed in the relevant Fund documents (*e.g.*, allocating transaction fees between the Adviser and a Fund in accordance with the fee sharing provisions set forth in the relevant partnership agreement); or
- disclosing the existence of such conflicts in the relevant Fund documents (*e.g.*, a Fund's private placement memorandum) or in other communications to investors.

Certain provisions of a Fund's documents are designed to protect the interests of investors or provide for certain forms of disclosure in situations where conflicts may exist, although these provisions do not necessarily eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund or its ability to achieve its investment objectives.

In addition, many Funds have established a limited partner advisory committee, consisting of representatives of investors. The limited partner advisory committees meet as required, whether in person or otherwise (but not less than twice a year), to consult with the Adviser and, from time to time as requested by the Adviser, provide consent as to certain potential conflicts of interest and as otherwise deemed appropriate by the Adviser. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion.

### *Conflicts*

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not describe all of the material conflicts that may be faced by a Fund. Other conflicts are disclosed throughout this brochure, and the brochure should be read in its entirety and in conjunction with the applicable Fund documents and other investor disclosures for other conflicts.

### *Allocation*

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

- the Main Funds;
- a co-investment fund or funds that have been formed for third party investors to invest side-by-side with one or more Funds in a particular transaction entered into by such Fund(s) (“Third Parties”);
- Adviser Investors and/or third party investors that wish to make direct investments (*i.e.*, not through a fund formed by the Adviser) side-by-side with one or more Funds in a particular transaction entered into by such Fund(s);
- The Adviser itself and/or its personnel, members or partners; and
- Adviser Investors and/or third party investors acting as “co-sponsors” with the Adviser with respect to a particular transaction.

### *Allocation of Investment Opportunities Between or Among Clients*

The Adviser makes allocation determinations consistent with the Funds’ Organizational Documents (including any amendments thereto) and in accordance with its written policies and procedures. In allocating investment opportunities, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to Funds from which the Adviser or its affiliates derive, directly or indirectly, a higher fee, compensation or other benefit. To address these potential conflicts of interest, the Adviser has adopted written policies and procedures relating to the allocation of investment opportunities and makes allocation determinations consistently therewith.

The Adviser has an Allocation Policy designed to allocate investment opportunities consistent with its fiduciary duties to each of the Funds and in light of possible overlapping mandates between more than one Fund. The Allocation Policy takes into account any contractual or other obligations under the Governing Documents along with the investment objectives or guidelines of each Fund (including, for instance, pre-determined allocation percentages among certain Funds) in setting forth certain factors that shall be considered in considering whether or how to allocate an opportunity, in its good faith judgment, either to a single Fund or between more than one Fund, and in determining each Fund's investment capacity (which could depend on a number of factors such as, but not limited to, available capital and portfolio construction and diversification).

Among the factors the Adviser will take into account when considering allocation decisions are the following: (i) the nature of the potential investment; (ii) the expected amount of capital required to make the investment as well as the relevant Funds' current and projected capacity for investing (including for any potential follow-on investments and whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity and/or wishes not to commit a maximum amount in order to preserve flexibility to consider additional opportunities notwithstanding that it may have available capital with which to fund the investment); (iii) the targeted rate of return or investment holding period of the relevant Funds; (iv) the existing portfolio of investments of the relevant Funds, including a Fund's existing positions in a particular security or issuer and each Fund's investment concentration parameters (including, without limitation, geography, industry, issuer, volatility, leverage or other similar risk metrics); (v) the investment opportunity's risk profile; (vi) the expected life cycle of the relevant Funds; (vii) the size, liquidity and expected hold period of the potential investment; (viii) the ability of the relevant Funds to accommodate structural, timing and other aspects of the investment process; (ix) suitability of the potential investment as a follow-on investment for a current portfolio company of a Fund; (x) availability of other suitable investments for the relevant Funds; (xi) supply or demand of an investment opportunity at a given price level; (xii) legal, tax, contractual, regulatory and other considerations deemed relevant by Silver Lake Compliance; (xiii) a Fund's investment policies and restrictions, guideline limitations, targets or investment objectives; (xiv) likelihood of current income; (xv) the "centrality" of an investment to a Fund's mandate; (xvi) the size of a particular Fund; (xvii) transaction sourcing (and with respect to an investment opportunity originated by a third-party, the relationship of a particular Fund to or with such third-party); (xviii) diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio); (xix) any applicable confidentiality and/or material non-public information considerations arising from the allocation of the investment; (xx) lender covenants; (xxi) the use of leverage in the proposed capital structure and (xxii) the use and availability of single- or multi-asset back-leverage and (xxiii) such other factors as the Adviser may reasonably deem relevant in its discretion.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances.

The Adviser has a Conflicts Committee that reviews allocation decisions. Allocation decisions shall be subject to reconsideration and amendment, for example in the event of a change in facts

and circumstances or other event. The Adviser will not allocate investment opportunities, in whole or in part, based on (i) the relative fee structure or amount of fees paid by the Fund, (ii) the profitability of any Fund or (iii) the Carried Interest participation levels of any team members in any Fund. In addition, while no such restrictions currently exist, in the future certain funds or accounts could be subject to legal and regulatory restrictions under the Investment Company Act of 1940, as amended, that may prevent the Fund from receiving allocations of investment opportunities also held or allocable to such regulated funds or accounts or investing in different types of securities or instruments issued by the same issuer or its affiliates.

The Adviser may give advice and recommend assets, instruments, loans, securities or other investments to Funds or other accounts managed by the Adviser which may differ from advice given to, or assets, instruments, loans, securities or other investments recommended or bought for another Fund even though the investment objectives of such Funds or other accounts managed by the Adviser may be the same or similar. Because there can be extended periods of time between an investment's signing and closing date, at times months or more, it is possible that a Fund's circumstances or broader macroeconomic or other conditions may be different at closing than expected at the time of signing. Therefore, notwithstanding the application of the Adviser's good faith judgment as to allocation at the time a deal is signed, it is expected that there may be circumstances where allocations are adjusted between signing and closing, and such adjustments may be material.

In addition, allocation of such opportunities by the Adviser requires it to make subjective judgments regarding application of the above guidelines. The Adviser makes allocation determinations based solely on expectations at the time such investment is made and in view of information then known however, investments and their characteristics may change after investment, and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight. In addition, the Adviser may itself be conflicted when making such judgments in the event it may have disparate respective economic interests as between the Funds. In addition, any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities will not ultimately prove correct and there can be no assurance that the subjective judgments made by the general partner will prove correct in hindsight. Furthermore, certain Funds may also receive priority with respect to the general partner's ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Funds (which allocations are to be made on a basis that the general partner believes in good faith to be fair and reasonable and consistent with the Adviser's allocation policies and procedures and the relevant Governing Documents). There can be no assurance that the application of the guidelines and factors set forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives.

In addition, certain current and former employees, personnel and non-employee access or non-access advisors of the Adviser invest indirectly and may be permitted to invest directly in Funds and may therefore participate directly or indirectly in investments made by the Funds in which such persons invest, and in varying amounts. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund, or making other determinations with respect to a Fund's interests.

### *Allocation of Co-Investment Opportunities to Third Party Investors*

Unless otherwise allowed by the provisions of a Fund's Governing Documents, generally no limited partner co-investment opportunity or transaction will be allocated to a "Third Party Investor" (such as, but not limited to, limited partner co-investors who invest through a Silver Lake vehicle, that are not affiliates of the Adviser) unless or until there is additional capacity to participate in such opportunity beyond full allocation to the appropriate Fund or Funds (which includes allocations to Side-by-Side Co-Investment Vehicles), as determined by the Adviser in good faith, in accordance with the applicable partnership agreement and other governing documents of such Fund or Funds. For the avoidance of doubt, the Adviser may, from time to time, offer certain excess capacity in investment opportunities to another Fund (including a Side-by-Side Co-Investment Vehicle or Silver Lake Long Term Capital) instead of, or in advance of, offering such excess capacity to limited partners for co-investment opportunities, even if such investment opportunity does not fit squarely within the investment guidelines of such other Fund. Any such allocations would have the effect of reducing co-investment opportunities available to investors and other third-parties.

Notwithstanding the foregoing, the Adviser will evaluate each situation with a view toward acting in the best interests of the Fund or Funds, and where necessary or appropriate, may deviate from the general framework described herein if the Adviser believes in good faith that doing so would be beneficial to such Fund(s).

As disclosed to our investors, the Governing Documents of the Main Funds often contain provisions allowing up to a certain percentage of investment opportunities to be allocable to the Fund's Side-by-Side Co-Investment Vehicle. An affiliate of the Adviser has made this year and is expected to make in future years an annual election on behalf of the Long Term Capital Fund to co-invest alongside certain Silver Lake Partners Funds in their Side-by-Side Co-Investment Vehicle. An affiliate of the Adviser may also make (although historically has not made) a separate election for this purpose relating to one or more Silver Lake Alpine Funds, which election is wholly independent of the election related to the Silver Lake Partners Fund or Funds. In each case, each election can range from no contribution up to an applicable cap, such election will remain in effect for the duration of the annual period to all investments made by that Fund during the applicable co-investment year (unless, pursuant to the relevant Governing Documents, there is a triggering event that would allow for a re-election at the same or lower level) and such election is included with the Adviser's affiliates' investments for purposes of calculating limits under the applicable Governing Documents.

An institution that previously owned an interest in the Adviser had a contractual right to co-invest certain elected amounts alongside certain Silver Lake Partners Funds, and exercised the right to invest a significant amount of capital on this basis, but has no such future right in either Silver Lake Alpine or its successor Funds, or SLP VI or any successor Silver Lake Partners Funds. Another institution that currently owns an interest in the Adviser has a right to make an investment in certain Side-by-Side Co-Investment Vehicles under certain limited circumstances and only in the event capacity remains for any such elections under the respective Governing Documents of the Main Funds. These opportunities are distinct from any individual deal-by-deal co-investment opportunities offered more generally to limited partners, which are subject to the Adviser's sole discretion, as described above, and the Adviser may determine to allocate additional investment

amounts to any current or prospective investors, including these two institutions or their affiliates, if the Adviser determines there is excess capacity available with respect to any opportunity, in accordance with its Allocation Policy.

Other than those investors and as set forth herein or in a Fund's Governing Documents, subject to the Adviser's Allocation Policy, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions (such as, but not limited to, counterparties in or a co-sponsor to a transaction), (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons (and at times in contemplation of factors that may benefit Silver Lake directly) and investors may be offered a smaller amount of a co-investment opportunity than originally requested and an investor may be offered fewer investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund, (iv) certain persons or entities other than investors in the Funds (e.g., other Funds managed by the Adviser, consultants, joint venture partners, Adviser Investors, persons allocated with a portfolio company and other Third Parties), including persons who the Adviser believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to the Adviser, a Fund, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). A non-binding acknowledgement by the general partner of a limited partner's interest in co-investment opportunities does not require the general partner to notify such limited partner of any co-investment opportunity or make an offer thereof. Each co-investment opportunity, to the extent one exists, is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique opportunity (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). The existence of the priority described in the paragraphs above or other contractual co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising discretion in deciding how to allocate co-investment opportunities to potential co-investment parties, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, its own interests and/or one or more of the following: the Adviser's evaluation of optimal deal structure to maximize returns for a Fund on a deal-by-deal basis; a limited partner's desired amount of co-investment at the time of its commitment to a Fund or other requirements for a certain amount of co-investment in underwriting its commitment to such Fund; the ability of potential co-investor to make a meaningful contribution to the transaction, such as in sourcing or completing the transaction or providing operational skills or insight; the overall strategic or other benefit of offering an investment opportunity to such potential co-investment party; the Adviser's evaluation of the size and financial resources of the potential co-investor and



the Adviser's perception of the ability of that person or entity (in terms of, for example, staffing, expertise, and other resources) to participate efficiently and expeditiously in the investment opportunity without harming or otherwise prejudicing the relevant Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case; the size of its capital commitment to the Fund(s); the extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others; the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the investor would be willing to defer to the Adviser and assume a more passive role in governing the portfolio company); any conditions that would require particular structuring implementation or covenants of the potential co-investor that would not otherwise be required; the Adviser's concerns regarding confidentiality in connection with providing the potential co-investor with specific information relating to the investment opportunity in order to permit such party to evaluate the investment opportunity; the Adviser's evaluation of its past experiences and relationships with the potential co-investor, such as the willingness or ability of such party to respond promptly and/or affirmatively to opportunities previously offered by the Adviser and the transparency and predictability of the potential co-investor's investment process; the Adviser's understanding of a potential co-investor's openness and ability to participate in any initial (and, if relevant) follow-on investment opportunities, should they arise; the character and nature of the co-investment opportunity (including structure, geographic location, tax characteristics, applicable regulation and relevant industry); the level of demand for participation in such co-investment opportunity; any interests a potential co-investor has in any competitors of the portfolio company; the Adviser's evaluation of whether the investment opportunity may subject the potential co-investor to legal, regulatory, reporting, public relations, media, or other concerns or burdens that make it less likely that the potential co-investor would act upon the investment opportunity if offered; any issues that could influence the Adviser in its decision to invite one or more potential co-investors to participate, such as that they are subject to FOIA and/or whether participation could increase the risk of antitrust or CFIUS approval; the Adviser's evaluation of whether the profile or characteristics of the potential co-investor may have any other impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); the Adviser's belief, in its sole discretion, that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or future Funds, in each case including their portfolio companies, or to the Adviser in its ability to generate new investment opportunities for the Funds or future Funds; the Adviser's decision to incentivize a potential co-investor to make a new capital commitment to one or more Funds or to enable such potential co-investors to meet certain investment criteria and/or portfolio construction goals identified at that time of its commitment to a Fund; and any other facts or circumstances that the Adviser deems appropriate or relevant.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances.

In connection with any such co-investment by Third Party Co-Investors, the Adviser often establishes one or more investment vehicles managed or advised by the Adviser to facilitate such co-investors' investment alongside a Fund. In other instances, such Third Party Co-Investors may invest directly rather than participate through such Silver Lake vehicle. Co-investments may be offered by the general partner on such terms and conditions (including with respect to management fees, administrative fees, Carried Interest and related arrangements) as will be negotiated by the general partner and the potential co-investors on a case-by-case basis in their respective sole and absolute discretion. Other terms of future co-investment vehicles may differ materially from former co-investment vehicles, and in some instances may be more favorable to the Adviser than the terms of the Fund, and such different terms may create an incentive for the Adviser to allocate a greater or lesser percentage of an investment opportunity to the Fund or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interests will be resolved in favor of the Fund. Accordingly, any investment opportunities that would have otherwise been offered or allocated, in whole or in part, to the Fund may be reduced and, instead, made available to certain strategic co-investors, in accordance with the Adviser's Allocation Policy and the relevant Funds' Governing Documents. The Adviser has implemented mitigants to address these potential conflicts, including by having a Conflicts Committee that can review certain allocation decisions.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among various potential co-investors in the manner discussed above may not, and often will not, result in proportional allocations among such co-investors, and such allocations may be more or less advantageous to some such co-investors relative to other such co-investors. While the Adviser will determine how to allocate investment opportunities using its reasonable judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable to the Fund as they would be if the conflicts of interest relating to co-investment discussed herein did not exist. To the extent the Governing Documents of the Funds contain parameters or restrictions on "co-investment" or matters related thereto (including restrictions on the Adviser and its affiliates with respect to co-investments alongside the Fund), "co-investment" will generally be interpreted to mean those situations where an investment is being made at or around the same time, and in the same securities, as the Fund is acquiring in a privately negotiated transaction (and not in the open market). In any other circumstances, an investment by the Adviser and its affiliates, even if in a portfolio company of a Fund, will not be considered "co-investment".

In the event the Adviser offers an investment opportunity to potential co-investors, there can be no assurances that such investment will be participated in by any potential co-investor, if at all, that the closing of such co-investment will be consummated in a timely manner, that such co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of such co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than

was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk and have more exposure as a result than was initially intended. Moreover, an investment by the Fund which is not syndicated to co-investors as originally anticipated could significantly reduce the Fund's overall investment returns. As a consequence, the Fund may bear the entire portion of any fees, costs and expenses related to such investment including, but not limited to, break-up fees and hold a larger than expected portion of such investment than it otherwise would have, had more of the investment been syndicated to a co-investor. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction.

The Adviser may also invite one or more individuals into an investment as strategic co-investors, for example, where such an individual may possess or bring qualities that the Adviser believes did add, or may in the future add, strategic value to the investment (but for the avoidance of doubt they are not required to possess such qualities, nor if they do possess them, to apply such qualities to the relevant portfolio company), to an investment over time, including but not limited to generalized expertise in the tech sector, or more focused expertise in areas like intellectual property, sales and marketing, cost cutting, mergers and acquisitions or litigation strategy and/or as a result of their extended network of connections and relationships within and around a company's industry, or where an individual may have acted as an adviser to the potential investment or played some other role that the Adviser wishes to provide with an incentive on a go forward basis. In light of the potential value to the Fund or investment, the Adviser may make such an allocation even if the Fund may have capacity for additional investment and therefore such strategic co-investor may receive an investment allocation that reduces the total amount of investment capacity otherwise available to the Funds. In addition, the Adviser may agree with investors in a Fund or as a part of an overall strategic relationship with the Adviser to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to other limited partners.

The Adviser or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund (though certain co-investors may from time to time also invest directly in the portfolio company or through another vehicle established and managed by the Adviser). Any such vehicle will be established at the Adviser or its affiliates' sole discretion and the Adviser and its affiliates have no obligation to offer a similar opportunity to any other investor.

The Adviser may also encounter allocation conflicts with respect to the selection of lenders and the allocation of loan amounts among prospective lenders (which may include a Fund, and/or an institution or an affiliate thereof that is invested in the Adviser, in addition to one or more third-party lenders) in the case of loans to portfolio companies of a Fund. Even where providing financing to a portfolio company of a Fund is attractive to another Fund, the Adviser is under no obligation to make the opportunity available to that other Fund if the Adviser and its affiliates determine that it is in the interests of such portfolio company not to do so, and there can be no

guarantee that a Fund will achieve its desired allocation, if any, of investments in portfolio companies of other Funds.

### *Secondary Transfers*

To the extent the Adviser has discretion over granting or withholding consent to a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally considering the factors listed above for allocation to potential co-investors as it may deem appropriate under the circumstances.

### *Valuation of Assets*

The Adviser is responsible for the valuation of each Fund's assets, in accordance with such Fund's Governing Documents and valuation policies. There is no actively traded market for many of the securities owned by the Funds. Securities and all other assets for which no market prices are available will be valued at such value as the Adviser may reasonably determine, subject to analysis and review of a third party valuation appraiser.

Valuations are generally subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties, which are further exacerbated during periods of market uncertainty or dislocation, and the resulting values may differ from values that would have been determined had an active market existed for such securities or had there been no market uncertainty or dislocation, and may differ from the prices at which such securities may ultimately be sold.

It is the Adviser's policy to determine the "fair value" of the Funds (with the exception of certain Silver Lake Waterman Funds, which apply SBA guidelines for certain of its Funds which are SBICs) in accordance with U.S. Generally Accepted Accounting Principles, particularly Accounting Standard Codification 820, Fair Value Measurements. When estimating fair value, a methodology is applied in light of the nature, facts and circumstance of the investments. With respect to the Funds, the exercise of such discretion by the Adviser may give rise to conflicts of interest, as such valuations affect performance calculations. In the case of certain Funds, the valuation of investments will affect the amount and timing of the Carried Interest under certain circumstances, and in the case of Silver Lake Long Term Capital, will affect the general partner's percentage interest in portfolio investments under certain circumstances. The reported performance resulting from the valuation of investments may also affect the ability of the Adviser to raise another Fund, such as a successor fund to a Fund. As a result, there may be circumstances where the Advisers are incentivized to determine valuations that may be higher or lower than the actual fair value of investments, depending on the context surrounding such valuation. In order to mitigate this conflict, the majority of valuations are conducted by an independent third party valuation firm, are subject to multiple levels of review within the Adviser, and are further subject to the valuation committee's final approval, and all portfolio investments are fairly valued in accordance with the procedures set forth in the Adviser's Valuation Policy. As applicable and if required by a Fund's Governing Documents, a Fund's limited partner advisory committee may also review the year-end valuations.

### *Conflicts Related to Purchases and Sales*

Funds or affiliated entities from time to time invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment (or vice versa). Conflicts may arise in connection with such investments. Investment opportunities may be appropriate for different Funds at the same, different, or overlapping levels of a portfolio company's capital structure. Additionally, a Fund may buy or sell securities or other instruments in companies in which the Adviser, its affiliates or Adviser Personnel are invested for their own accounts as has occurred in the past, and is likely to occur in the future. While not limited to this example, one common reason this may occur is related to the Adviser's strategic focus on building relationships with founders and companies, which can lead to individuals affiliated with Silver Lake making personal investments that are not at that time appropriate for a Fund, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, especially in areas of developing innovations in technology, and further develop their networks and relationships with the founders, CEOs and boards of such endeavors. The Advisor has found such activity to be fruitful to both its business development efforts and the talent development of its investing professionals. Adviser Personnel have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. The Adviser has implemented policies and procedures to seek to mitigate these types of conflicts, but there can be no assurance that these policies will effectively address all such situations. Potential or actual conflicts in respect of these overlapping investments are expected in the future to arise in determining the terms of investments, particularly where these Funds and/or Adviser Personnel invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified, or waived, whether payments should be accelerated or whether debt should be refinanced. Where two Funds (or a Fund and an affiliated entity) have overlapping investments, decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring or other concessions that may be given in such a situation will present potential or actual conflicts of interest, particularly in or among Funds that have invested in different securities within the same portfolio company, and the Adviser may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will likely have the ability to elect some or all of the members of the board of directors of such a portfolio company, thereby potentially controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds if such other Funds have invested in different types of securities in the same portfolio company, especially if such Funds do not have the same level of control or influence over the portfolio company.

Certain Funds have in the past invested and may in the future invest in loans and/or debt securities of companies in which other Funds or Adviser Personnel hold other securities, including equity

securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. Because different legal rights are associated with debt and equity investments in the same portfolio company, a conflict of interest may arise in respect of the advice the Adviser or its affiliates gives to, and the actions it takes, on behalf of one Fund versus another Fund. In the event that such investments are made by a Fund, the interests of such Fund at times will have the potential to, or will actually, conflict with the interest of such other Fund or Adviser Personnel, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. The involvement of such Funds at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, or required to vote consistent with a third party administrative agent, pursuant to the Adviser's policies and procedures to mitigate such conflicts, and by operation of law or otherwise may be subject to claims by other creditors with respect to the subordination of their interest.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the analysis may be conflicted and the Funds or Adviser Personnel may or may not provide such additional capital, and if provided will be supplied in such amounts, if any, as determined by the applicable Adviser or Adviser Personnel. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may be obligated to, or have the opportunity to, fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. It is also possible another Fund may make such investment to provide the necessary additional capital. The returns of each Fund may be negatively impacted as a result of the foregoing. The Adviser and its affiliates may express inconsistent views of commonly held investments or market conditions more generally. For example, the Adviser may cause a Fund to sell all or part of an investment in a portfolio company while another Fund may continue to hold, or increase its investment in such entity (or vice versa).

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, availability of capital, or existing portfolio or liquidity needs. Where more than one Fund of the Adviser invests in the same portfolio company, there can be no assurance that such parties will have initially made the investment on, or dispose of investments at the same time and on the same terms. For example, because the Adviser may have an incentive to realize returns in connection with other fundraising activities (including fundraising for a successor fund) and because one Fund's term may expire before the end of another Fund's term, such Funds, if permitted pursuant to the terms of the Governing Documents, may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund is likely to realize different returns as compared to an investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if the Adviser determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Adviser or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have

and may, as a result, experience lower returns than it otherwise may have realized on such investments. Investments by more than one client of the Adviser or Adviser Personnel in a portfolio company also raise the risk of using assets of a Fund to support positions taken by Adviser Personnel and/or other clients of the Adviser or that a Fund may remain passive in a situation in which it would otherwise vote as a result of a conflict. There can be no assurance that the return of a Fund participating in these transactions would be equal to, and not less than, the return of another Fund or Adviser Personnel participating in the same transaction, or that returns would be as favorable as they would have been had such conflict not existed. In addition, a conflict will arise in allocating an investment opportunity if one Fund is considering an acquisition of a potential investment target at the same time as either another Fund, affiliated entity, or another Fund's portfolio company is considering it. The Adviser would have conflicting incentives in such instances to allocate the investment, or any portion of the investment, to one Fund or portfolio company over another. While the Adviser seeks to mitigate such conflicts, for example by separating team members, there is no guarantee it will so do in every instance or that such steps, if taken, will be successful.

The Adviser and/or its affiliates, and certain clients of the Adviser, have in the past invested and may in the future invest, in loans and/or debt securities of companies in which the Adviser, its affiliates, other Funds, or Adviser Personnel hold other securities, including equity securities. In this circumstance, the debt investments on the one hand may and likely will have a higher priority than the equity investments on the other, which could lead to a conflict of interest if the company were to become insolvent. Additional conflicts may also exist in such a situation, for example, where the size of an investment in one Fund is sizably larger or smaller than that of another Fund (in which case the Adviser may have different economic incentives toward one Fund or the other). The Adviser has adopted an Allocation Policy that seeks to mitigate or eliminate such conflicts where possible.

One or more Funds may invest in securities of publicly traded companies that are actual or potential portfolio companies of one or more other Funds. The investment objectives and trading activities of the various Funds with respect to the same securities may vary between and among Funds.

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

The application of a Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

The Funds, from time to time, co-invest with third-parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and potential or actual conflicts of interest that would not otherwise be present in investments where a third-party is not involved. Such risks or conflicts include, among other things, the possibility that the third-party may have differing economic or business goals than those of the Fund, the third party may have

other economic arrangements with the Adviser that could conflict with the Fund's interest, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

From time to time the Adviser will, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments (to the extent it has such influence or discretion over the selection), the Adviser will comply with the requirements set forth in the Organizational Documents of the applicable Fund(s), or to the extent not addressed in the Organizational Documents of the applicable Fund(s), the Adviser may consider, among other things, some or all of the factors listed above under "*Allocation of Investment Opportunities Between or Among Clients*" and "*Allocation of Co-Investment Opportunities to Third Party Investors.*" Where the Adviser exercises control of the company, the sales price for such transactions will be mutually agreed to by the Adviser (subject to that company's requirements, such as board consent for the transaction) and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment, market factors, and other considerations following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Governing Documents of the applicable Fund(s).

From time to time, a Fund sells down an interest in one of its portfolio companies to co-investors. Subject to a Fund's Governing Documents, the Fund may charge (or may decide not to charge) a co-investor (such as a Fund investor or third party) interest costs for the time period between the closing of such Fund's investment in the portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor. Additionally, in the event the Adviser or a general partner to a Fund lends the Fund capital through a short-term loan facility to bridge an investment pending the receipt of capital contributions from the Fund investors, subject to such Fund's Governing Documents, the general partner may charge (or may decide not to charge) such Fund (including the Fund investors) interest costs incurred in connection with such loan for the time period between the receipt of funds from such loan to the date on which the loan is paid off by such Fund.

Additionally, the Adviser or a general partner to a Fund can be expected from time to time to defer receipt of amounts otherwise payable or reimbursable to the Adviser or its general partner from a Fund to enable such Fund to have sufficient liquidity to carry out its permitted activities, such as to pay expenses or make further investments, with such deferred amounts payable (with or without interest in accordance with such Fund's Governing Documents) in the future. As a result, such amounts otherwise payable or reimbursable that are deferred will not be considered permanently



waived or foregone and will be payable in the future, which could result in a single payment or installments of repayment amounts that is/are larger than if it had originally been paid earlier in increments.

The Funds will, from time to time, enter into contractual arrangements (including, potentially equity commitment arrangements) whereby, subject to any applicable documentation, one or more Funds agree that upon the closing of a transaction with respect to a potential portfolio company, it will purchase securities in a transaction for itself or on behalf one or more Funds. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated under certain circumstances, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity and or otherwise be liable for damages and other amounts to the seller entity and (b) full guarantee arrangements where such Fund agrees to close a transaction, which may include circumstances in which the debt financing for such transaction is not available or has not been funded. While a Fund or co-investment vehicle with investments contractually consummated and tied to the committing Fund or Funds (including the vehicles established in connection with the Adviser’s side-by-side co-investment rights) will generally be obligated to pay their proportionate share of the purchase price and/or the reverse termination fee or damages or other amounts, such Fund may not be a party, and co-investment vehicles are generally not direct parties, to the commitment arrangements or limited guarantees. Therefore, in the unlikely event that such a Fund or co-investment vehicle defaults on paying such an obligation, the Fund would be held legally responsible for the entire purchase price or reverse termination fee or damages or other amounts, or obligations, as applicable. Furthermore, if the parties to a Fund or third party co-investment vehicle are not contractually bound to the transaction, or if the Adviser determines there is a good faith basis for the Fund or co-investor not to bear such fee, then they will generally not bear any portion of the reverse termination fee or any other fees relating to the non-consummation of the transaction.

Changes to the Internal Revenue Code of 1986, as amended (the “Code”) and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their investors. For example, tax reform in 2017 subjected Carried Interest and gains on the sale of profits interests in certain partnerships to higher rates of U.S. federal income tax than under prior law in certain circumstances. Enactment of this and/or additional guidance regarding the taxation of Carried Interest could also cause the Adviser’s investment professionals to incur a material increase in their tax liability with respect to their entitlement to Carried Interest. Such liability might make it more difficult for the Adviser to incentivize, attract and retain these professionals, which may have an adverse effect on the Adviser’s ability to achieve the investment objectives of the Funds. These same issues may also apply to officers, directors, and employees of the Funds’ portfolio companies if such persons receive a profits interest in such companies. In addition, these differing liabilities can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of the Funds and/or the investors and therefore, these rules have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions, and on the timing of distributions. For example, the Adviser has the financial incentive to operate the Fund, including to hold and/or sell investments, and may operate the Fund, in a manner that takes into account the tax treatment of its

Carried Interest. While the Adviser generally intends to seek to maximize pre-tax returns for the Fund as a whole, the Adviser may nonetheless be incentivized, for example, to hold investments for three years or longer (or for an applicable minimum hold period which may be set in the future) to ensure a preferential tax rate on income allocated with respect to Carried Interest, even if there are attractive realization opportunities earlier than three years, and/or to realize investments prior to a new change in law, if any, that would result in a higher effective income tax rate on Carried Interest. Similarly, legislation has been discussed that would tie tax treatment of Carried Interest to the applicable Fund's level of investment as a percentage of commitments. In the event legislation of this nature is ultimately adopted, the Adviser could be incentivized to satisfy the provision by deploying capital and/or realizing investments as quickly as possible, which may not be aligned with the interests of the limited partners that might favor a longer horizon to make and realize investments. There are also incentives for the Adviser to waive receipt of Carried Interest in respect of investments which they did not hold for the requisite time to receive a preferential tax rate and recoup such amount from subsequent liquidity at potentially lower tax rates than the tax rates borne by the Fund's investors with respect to earlier distributions. The Conflict Committee's participation in discussions around circumstances relating to the exit of an investment, as well as the general partner's investments in the Funds (and interest in the profitability of a portfolio company) serve to mitigate the impact of this potential conflict. In addition, the Adviser's interests may conflict with those of the Funds in relation to its receipt of securities for donation to charitable organizations, with respect to potential tax treatment. In resolving such conflicts, the general partner has an incentive to take into account its and its affiliates' tax positions and there is no assurance that Fund returns will not be adversely affected relative to what returns would have been absent such considerations. Proposed future changes in tax laws (including those with retroactive effect) could have an adverse effect on the Funds, their investors or the portfolio companies.

### *Cross-Transactions*

While the Governing Documents of the Funds limit the ability of the Adviser to engage in such transactions, consistent with such limitations, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund, as has occurred in the past. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund at the expense of another. For example, the Adviser could seek to sell the underperforming assets of one Fund to another Fund in order to earn fees, or could seek to sell the highly performing asset of one Fund to another in order to benefit the other Fund. Such transactions may be subject to the consent of a Fund's limited partner advisory committee, as set forth in the Governing Documents of such Fund. Additionally, in connection with such transactions, the Adviser and/or its professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). In addition, the Adviser may realize Carried Interest or other non-economic benefits as a result of the sale of a portfolio company from one Fund to another, is expected to receive management or other fees in connection with its management of the relevant Funds involved in such a transaction (which fees could vary as

between the two Funds), and may also be entitled to share in the investment profits (in addition to its Carried Interest) of the relevant Funds.

To address these conflicts of interest, the Adviser must comply with the conditions set forth in the Governing Documents of the applicable Fund. For example, while terms of Fund agreements vary, the Adviser may be required to notify the limited partner advisory committee of the relevant Fund if another Fund owns over 1% of the equity of the company being sold, and the Adviser may be required to disclose to or obtain the approval of the limited partner advisory committee of the relevant Fund if another Fund owns over 5% (or 10%) of the equity of the company being sold (subject to certain exceptions, as set forth in greater detail in the Governing Documents of the applicable Funds). Additionally, the Adviser will follow the investment allocation requirements of the relevant Funds. To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's internal legal and compliance team and/or the Firm's Conflicts Committee will be responsible for confirming that the Adviser (i) considers its duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) follows any required disclosures or obtains any required approvals of the transaction's terms and conditions. The foregoing conflicts apply where one Fund is buying or selling to another Fund. Conflicts are mitigated, and requirements among Governing Documents vary, where the portfolio company itself or another third party is the counterparty facing the Fund in a transaction.

### *Principal Transactions*

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

### *Management of the Funds*

The Adviser manages a number of Funds that have investment objectives similar to or, in some cases, partially overlapping with each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Between or Among Clients*" and "*Allocation of Co-Investment Opportunities to Third Party Investors*" above.

The Adviser may give advice or take actions with respect to the investments of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies are not expected to hold the same securities or achieve the same performance. In addition, a Fund may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. Where two Funds are splitting an investment and obtaining financing in connection with such investment, the terms of financing may differ for each Fund notwithstanding the investment being made at the same time and on the same economic terms. These, among other, differences are likely to result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Adviser Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds that may be raised in the future, or will have responsibilities to proprietary investments made by the Adviser and/or its principals (including of the type made by the Fund). Conflicts of interest may arise in allocating time, services, or functions of these Adviser Personnel. Adviser Personnel have an incentive to allocate more time, services and functions to Funds from which such personnel derive a higher economic benefit and/or better performing Funds.

While the Advisers generally seek to use reasonable efforts to avoid cross-guarantees and other similar arrangements, it is possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one fund entity or group of entities, which may result in a Fund being (i) solely liable with respect to its own share, and such third party for other Funds' or affiliated entities' share, of the applicable obligation and/or (ii) jointly and severally liable for the full amount of such applicable obligation, in each case which would result in the Funds entering into a back-to-back or another similar reimbursement agreement. If one Fund defaults on such an arrangement, the other Funds would typically be held responsible for the defaulted amount. The Funds have no current intention to do so and will only enter into such joint and several borrowing arrangements when the Adviser determines, in its sole discretion, it is in the best interests of the Funds.

The Adviser will, from time to time, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an Affiliate Adviser may subsequently determine to have another Fund or fund of an Affiliate Adviser review or make an investment in the same company. A conflict of interest arises because one Fund or fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting Fund or Funds may not be required to reimburse the original Fund for some or all of the expenses incurred in connection with considering such investment, and any such allocation that is made will be done in good faith by the Adviser. Such allocation may be highly subjective.

In addition, the Adviser expects to receive, generate and/or obtain various kinds of data and information in connection with the Funds and their portfolio entities and any subsidiaries, including, without limitation, data, trends and information relating to business operations, financial information (including forecasts, budgets and actuals), commercial and transactional information, customer and user data, employee data and supplier and cost data, and other related data and

information. This information may, in certain instances, include material non-public information received, created or generated in connection with efforts related to a Fund's investment (or prospective investment) in a portfolio company. Some of the data-sets received by the Adviser might individually or in the aggregate be referred to as "big data". The Adviser may be better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Funds and their portfolio entities. The Adviser also intends to utilize such data for purposes of identifying new investment opportunities for the Funds. Information from a portfolio company owned by a Fund may enable the Adviser to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Adviser and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds). The Adviser may enter into formal or informal information sharing and use arrangements with the Funds and their portfolio entities, related parties and service providers, which may give the Adviser access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. In connection with such arrangements, the Adviser may enter into confidentiality arrangements with such portfolio companies and other sources of information that restrict or otherwise limit the use and distribution of such data. Although the Adviser believes that these activities improve the Adviser's investment management activities on behalf of the Funds, information obtained from one Fund and its portfolio companies also provides material benefits to the Adviser and other Funds at the expense of, and without compensation or other benefit accruing to, such Fund or its limited partners. For example, information from a portfolio company owned by one Fund can be expected to enable the Adviser to better understand a particular industry, enhance the Adviser's ability to provide advice or direction to a company's management team on strategy or operations and, as described above, execute trading and investment strategies in reliance on that understanding for the Adviser and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. The Adviser may also share data from a portfolio company of one Fund (on an anonymized basis) with a portfolio company of another Fund, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company (although the opposite may be true as well, in which case a portfolio company of such Fund may receive data from a portfolio company of another Fund). In addition, the Adviser may have an incentive to pursue an investment in a particular company based on the data and information expected to be received or generated in connection with such investment. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, or as otherwise legally required, the Adviser is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of the Adviser and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by the Adviser or its personnel will not be subject to the Advisory Fee offset provisions or otherwise shared with a Fund or its investors. To the extent that the Adviser does receive any information, the Adviser is likely to utilize such information to benefit itself, its affiliates and certain other Funds or one or more of their portfolio companies in a manner that may otherwise

present a conflict of interest with the relevant Fund or one or more of its portfolio companies depending on the particular facts and circumstances, and the Adviser does not intend to specifically disclose any such potential conflicts to the Fund in question. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information, and it is expected that the relevant Fund will at times benefit from this arrangement from other Funds, while at other times it will bear the costs of such arrangement where another Fund benefits. The Adviser's access to, and ability to use, any such data and information with respect to any portfolio company will be impacted by the nature of its investment, such as whether the Adviser's investment is a minority or non-control position and whether the Adviser is subject to any contractual restrictions with respect to such data.

Furthermore, except for contractual obligations to third parties to maintain the confidentiality of certain information or otherwise limit the scope and purpose of its use, and regulatory limitations on the use of material nonpublic information, the Adviser is generally free to use data and information from a Fund's activities to assist in the pursuit of the Adviser's various other activities, including to trade or use for the benefit of the Adviser or another Fund. Any confidentiality obligations in the applicable partnership agreement do not limit the Adviser's ability to do so. For example, the Adviser's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio company in the same or related industry. Such trading can be expected to provide a material benefit to the Adviser at the expense of, and/or without compensation or other benefit to, such Fund or its limited partners.

The sharing and use of "big data" and other information presents potential conflicts of interest. As a result, the Adviser has an incentive to pursue portfolio investments that provide access to data and information that can be utilized in a manner that benefits the Adviser or certain of the Funds.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions have presented, and in the future are likely to present, conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested, and such determinations are made by the Adviser in accordance with the Allocation Policy and the Governing Documents. In addition, as has happened in the past and could happen again in the future, a Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest often arise, including determinations of whether, to the extent existing investors are being cashed out, whether they are being cashed out at a price that is higher or lower than market value, and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms, or whether, if two Funds will be invested simultaneously, whether one Fund has structural priority over another in a manner that could cause the Adviser to be conflicted. Follow-on opportunities that arise where multiple Funds have invested (either at the same or different times) will be allocated in a manner consistent with the applicable Governing Documents, relevant policies, and/or associated disclosures and such allocations are likely to present potential conflicts that could be resolved in a manner that does not favor one or multiple Funds, or is adverse to the Fund.

Subject to any express consents required by the applicable Governing Documents or the Advisers Act, a Fund may also make equity investments in companies in which other Funds and/or the Adviser and its affiliates have pre-existing investments. For example, portfolio companies of such other Funds may raise additional capital in the future at a time when the Fund in question does not have sufficient reserves to take its pro rata share of such capital raise, or the Adviser otherwise determines that such Fund should not participate in such capital raise, and in such instances the Fund may take up to any amount that such other Funds do not participate in. Given the potential benefits to the other Funds and/or the Adviser (including, for example, as a result of higher valuations on its investment, the potential receipt of proceeds from such Fund's investment or, if the company is distressed, the potential for additional financial support), the Adviser may be incentivized to cause the Fund to invest in such companies and there can be no assurances that the related conflicts of interests (including as it relates to the valuation at which the Fund invests) will be resolved in a manner favorable to such Fund. In instances where the Fund invests at a significantly higher (or lower) valuation than the other Funds and/or the Adviser or its affiliates or in a different part of the capital structure, the Fund and such other vehicle(s) will potentially have conflicting interests in the event the value of the company declines (or increases) following the time of the Fund's investment.

Furthermore, a Fund that participates in a follow-on opportunity in a portfolio company of another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by such other Fund (including any operational or other information related to such portfolio company) in connection with the initial investment, but the participating Fund will not be required to reimburse the original Fund for any expenses incurred in connection with making or holding the investment. See *"Investments Entered into Alongside Other Silver Lake Funds"* below for additional information. Except as expressly provided in the applicable partnership agreement or required by the Advisers Act, consent of the applicable limited partner advisory committee (or consent of the limited partners of such Fund) is not required in connection with such investments in which any other Funds and/or the Adviser or its affiliates have a pre-existing interest (or in connection with any dispositions thereof), and it is not anticipated that such consent will be sought or obtained.

#### *Investments Entered into Alongside Other Silver Lake Funds.*

Participating in portfolio investments alongside other Funds will subject a Fund to a number of risks and conflicts. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price, timing, and the availability and cost of back-leverage) for such Fund and the other Funds may not be the same. Additionally, two Funds will generally have different investment periods or expiration dates and may have different investment objectives (including return profiles) and the Adviser, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. Such differences may also impact the allocation of investment opportunities. As such, while the original Fund generally expects to attempt to mirror the timing of disposition of investments of the relevant underlying investment strategy, the Fund and/or such other Funds may dispose of any such shared investment at different times and on different terms than one another based on a determination of what is in the best interests of the Fund and other relevant considerations. Additionally, as the Fund and such other Funds may have different levels of available capital, the Fund and such other Funds may not participate in any future follow-on opportunities with respect to any shared

portfolio investment on a pro rata basis, or at all, subject in each case to the requirements of the applicable Governing Documents of such other Funds, relevant policies, and/or associated disclosures. Additionally, in certain circumstances where the Fund is expected to invest alongside another Fund, the original Fund may be required to commit funds necessary for such investment prior to the time that a final allocation among the original Fund and such other Fund has been determined. In such circumstances, the original Fund may commit to an investment larger than its ultimate allocation of such investment, including up to all of such investment, and as a result bear a disproportionate share of the risk associated with such investment (including with respect to potential broken deal expenses) until such time (if at all) as the other Fund commits to its expected share of such investment. Such transactions are unlikely to be subject to the approval or review of the limited partner advisory committee of the original Fund.

### *Conflicts Relating to the Adviser*

The Adviser generally has in the past and is likely again in the future, in its discretion, to contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser which could occur, among other ways, in connection with its provision of services to the Funds. In addition, the Adviser has in the past and may in the future (a) recommend to (or contract on behalf of) a Fund or a portfolio company thereof or (b) recommend to a third party service provider utilized by the Adviser, a Fund, or a portfolio company thereof (in response to a solicitation for a recommendation or otherwise), that such party contract for services with (x) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (y) an entity with which the Adviser or a member of its personnel has a relationship or from which the Adviser or its personnel otherwise derives financial or other benefit. The Adviser may, because of its financial or other business interest, have an incentive to, and may, recommend or engage the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost. Similarly, portfolio company personnel may choose to hire or feel compelled to hire the related person or entity where the Adviser makes a recommendation even if they do not believe that provider is the best choice.

### *Personal Investments*

Adviser Personnel are generally permitted to hold interests in public companies, private companies and alternative investment funds, such as private equity funds, venture capital funds, hedge funds or other investment vehicles (including investment vehicles formed to invest in a single company), which funds may include competitors of the Funds and/or vehicles that may invest in similar or the same companies, industries and sectors as the Funds (collectively, whether directly or indirectly (including by or through family members), “Personal Investments”). The Adviser views its relationships and access to proprietary deals as one of its most valuable differentiating competitive advantages relative to other firms. Accordingly, Adviser Personnel are encouraged to make Personal Investments in earlier stage private companies that are not within the investment mandate of the Funds (in each case, at the time of such Personal Investment, but may in the future become suitable for a Fund) because such investments are viewed by the Adviser as a business development opportunity for such Adviser Personnel (and non-employee advisors) to establish or enhance professional relationships and networks, and foster deeper knowledge of the industry and the companies that comprise it, and therefore create an overall benefit for the Adviser as a whole.



Often, such companies may not be suitable for investment by a Fund due to, for example, the small size of a particular funding round, the early stage of the company, the high risk presented by the company's liquidity needs, capital structure or strategic plan or the fact that such company is only seeking individual investors rather than institutional investors like the Funds. The Adviser believes that such Personal Investments have the potential to create significant value to the Funds as such investments may have the direct or indirect effect of creating investment opportunities for the Funds, even if also creating the potential for a conflict of interest, as further described below. In addition, such Personal Investments may include commitments to alternative investment funds where a Fund later considers an opportunity to invest in the fund manager of such alternative investment fund or considers making a commitment to an investment fund affiliated with such alternative investment fund. While the majority of the Personal Investments described above are unlikely to become Fund opportunities in the future, in the event that a Fund has the opportunity to invest in an opportunity where such Adviser Personnel or Outside Support Provider has a Personal Investment, the Adviser will comply with any requirements in the relevant Governing Documents, and additionally may, in its good faith judgment, take additional steps that the Adviser views as necessary or appropriate to seek to mitigate a potential conflict (which may include such Fund passing on such investment or imposing mitigants that could nevertheless leave the Fund in a worse position than it would have been absent such Personal Investment). The determination as to whether any such steps are taken at all, and what steps (if any) are taken, will be made in the Adviser's sole discretion and will depend on the relevant facts and circumstances presented. There can be no guarantee that such conflicts will be resolved in favor of the relevant Fund.

The Personal Investments described above will likely include investments in potential competitors of the Funds. For example, there have in the past been situations, and in the future could be more, in which a third-party investment fund in which such Adviser Personnel holds a Personal Investment has invested in the same portfolio companies as a Fund and there may be situations in which such investment funds purchase securities from, or sells securities to, such Fund. The Fund's limited partners will not receive any economic benefit from any such Personal Investments. Such Adviser Personnel may, subject to the terms of the relevant Governing Documents, also make investments that were initially considered by the Fund but ultimately rejected (which may include members of the Fund's investment committee making investments that were not consummated by the Fund). Even if the Fund initially rejected an opportunity it is possible that the opportunity may later develop into a Fund opportunity. It may be the case that Adviser Personnel wish to personally invest in the opportunity for the purpose of keeping dialogue with the management team open and facilitating potential later access to the investment for a Fund. Potential conflicts of interest may similarly arise in connection with advisors working on behalf of the Adviser on particular investments.

Recently, executives in various industries, including those in the investment fund industry, have made investments in sports teams or franchises. Should one or more Adviser Personnel have an opportunity to acquire an interest in a sports team or franchise (whether in the form of a minority stake or majority interest), such professional(s) shall have no obligation to present such opportunity to the Funds, and shall be free to pursue such opportunity in a personal capacity, notwithstanding the fact that the Funds have in the past made sports related investments, including investments in sports teams. Any such investment may present conflicts of interest.

The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and neither the Funds nor the limited partners of the Funds will economically benefit from any such Personal Investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds'. If Adviser Personnel have made large capital investments in or alongside the Funds, they will have conflicting interests with respect to these investments because the investments are often at different times or in non-pro rata amounts or in different classes or levels of the capital structure (including with respect to seniority), which lead to potential conflicts related to misaligned interests between the Funds and such persons. In circumstances where one or more Funds makes a controlling investment alongside a Personal Investment, the size of such controlling interest relative to the Personal Investment may effectively mitigate the relative conflict of interest between such Fund(s) and such individual.

Furthermore, Adviser Personnel may from time to time invest for their own accounts in securities of companies in which a Fund has previously invested but has since disposed of the position or receive shares in former portfolio companies in the event the Adviser Personnel continues to serve as a director even after the portfolio company is sold by such Fund. The Fund's general partner will monitor the investments of Adviser Personnel on an ongoing basis and will look to ensure any conflicts of interests are handled in accordance with the relevant Governing Documents.

It is contemplated that any investments that may arise out of the investments and/or relationships of one Fund, including new investment opportunities as well as follow-on investments or co-investments (including with respect to the underlying portfolio companies of any investment funds that such Fund invests in) that become available to Silver Lake as a result of these investments may, depending on the facts and circumstances, including but not limited to size of investment opportunity, be allocated to other Funds. The allocation of any follow-on or co-investment opportunity in a company where one Fund is already invested may result in another Fund holding an interest in a different (which could be senior or junior) class of security, than the first Fund and it is possible that such other investments could impair the value, dilute, or otherwise adversely impact such Fund's own interest. The first Fund will not receive any presumptive allocation relative to any other Fund of any future opportunity arising out of or associated with any investments funds, fund managers or other such investments. The Adviser and Funds other than or in addition to a Fund may benefit from the growth of the relationships that develop out of such Fund's investments in such investment funds, fund managers and other investments, and therefore such Fund will have borne the cost of the investment whereas another Fund may benefit from a resulting relationship at no cost to itself. For example, Silver Lake Long Term Capital has made and will continue to make passive investments in investment funds sponsored by third parties and, as such, similar conflicts to those enumerated above with respect to Adviser Personnel may apply to Silver Lake Long Term Capital as well (particularly because the Adviser may become a preferred investment partner for future investments in portfolio companies of funds in which Silver Lake Long Term Capital has invested should such opportunities become too large or otherwise unsuitable for such funds). In particular, a Fund or its portfolio companies may enter into transactions with, compete with, and/or invest in or alongside such investment funds or their portfolio companies.

From time to time, Adviser Personnel may invest in funds or other entities managed by limited partners of a Fund, or other personal associates/relationships, which could incentivize such Adviser Personnel to afford such partners or relationships preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

### *Outside Support Providers*

Separate from, and in addition to, the Operating Team (as described in “*Add Value to Portfolio Companies*”), the Adviser, the Funds, general partner and/or the portfolio companies of a Fund will from time to time engage and retain other companies and individuals, including senior and special advisors or similar consulting professionals (“Outside Support Providers”), which are not employees or affiliates of the general partner, but may be former employees of the general partner. The Outside Support Providers are engaged to provide due diligence, research, specialized operations and consulting services, advisers, industry specialists and similar or related services to the Funds, or to, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, sourcing, acquisition, holding, improvement and disposition of such portfolio companies, or other investment-related functions (“Outside Support Services”). These services may include high level insight, industry-specific insights, transaction diligence assistance, facilitation of relationships or extensive day-to-day roles (including serving as executives or as directors on or advisors to the boards of portfolio companies or contributing to the origination of new investment opportunities) and may include support to the general partner on behalf of the Funds or portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining or advising on executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters.

The nature of the relationship with each such Outside Support Provider and the time devotion requirements of each such Outside Support Provider may and typically will vary significantly. To the extent an Outside Support Provider has multiple overlapping engagements with the Adviser, the Funds and/or their respective portfolio companies, conflicts of interest could arise for such Outside Support Providers in respect of carrying out engagements, including, but not limited to, allocation of time and resources, and could also arise in situations where Outside Support Providers are engaged by the Adviser, the Funds and/or their respective portfolio companies at the same time. In certain cases, Outside Support Providers have attributes of Adviser Personnel (for instance, they may have dedicated office space, receive Adviser administrative support services, participate in general meetings or events for Adviser Personnel, have Adviser e-mail address or business cards, or have the opportunity to invest in the Side-by-Side Co-Investment Vehicle), even though they are not employees, affiliates or personnel of the Adviser. These arrangements may be memorialized in a formal written agreement or may be informal and negotiated individually, depending upon the anticipated Outside Support Services to be provided. Outside Support

Providers have in the past had a right or ability, and are likely in the future to be offered the right or ability, to co-invest alongside the Funds, including but not limited to those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company. As has occurred in the past, they may in the future provide consulting services to a portfolio company, in which case, the arrangement may be governed by an agreement between the individual in his personal capacity and the portfolio company; and the individual may receive compensation as a result of these services and may also serve as a board member and similarly receive personal compensation in this capacity. Additionally, and notwithstanding the foregoing, these senior advisors and/or other similar consulting professionals may be investors in the Funds or otherwise affiliated with investors in the Funds, and/or affiliated with portfolio companies of the Funds. In addition to being offered the ability to co-invest alongside Funds, Outside Support Providers may be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Outside Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Funds, fees, compensation, expenses and any attributable overhead associated with Outside Support Services (“Outside Support Expenses”) are paid and/or reimbursed by the Adviser, portfolio companies and/or the Funds, depending upon, among other things, what service is provided. The cost of the Outside Support Expenses (including Outside Support Expenses incurred in connection with an affiliated Outside Support Provider) will be determined at the discretion of the general partner taking into account the particular Outside Support Services, and may include an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation (e.g., Carried Interest) to the Outside Support Provider, and will otherwise be determined in accordance with one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Outside Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The determination of whether a service is an Outside Support Service will be made by the general partner, in its good faith discretion. Outside Support Expenses will, from time to time, also be incurred in respect of portfolio companies prior to the closing of the investment. In the event an Outside Support Provider is paid an annual retainer, the value provided to the relevant Fund and/or portfolio company by such Outside Support Provider may vary year to year and there can be no assurance that the annual retainer paid will be commensurate with the value provided by the Outside Support Provider. In addition, an Outside Support Provider’s benefits described herein will, in certain circumstances, continue after termination of status as an Outside Support Provider.

To the extent services may be provided for the benefit of a Fund, without reference to a particular portfolio company, Outside Support Expenses incurred in connection with such services are typically borne by the Fund and, indirectly, the investors in such Fund. In the event one or more Outside Support Providers (directly or indirectly) is providing services with respect to more than one Fund, such Outside Support Expenses will be allocated among the Funds as determined by the general partner or the Adviser, in a fair and equitable matter and consistent with the Organizational Documents of the applicable Funds and as described above (see “*Allocation of Expenses*”). To the extent any such Outside Support Expenses are payable to any Outside Support Provider by the Funds or a portfolio company, such Outside Support Expenses will be retained by such Outside

Support Provider and will not reduce the Advisory Fee or any other fees otherwise payable to the Adviser or its affiliates and such fees will not benefit the Fund or its investors, even if the Outside Support Expenses paid by a Fund or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser. The general partner's determination as to whether a service is an Outside Support Service, the categorization of any fees and expenses (e.g., as Outside Support Expenses) and the allocation of such fees and expenses paid by a portfolio company, a Fund, or the Adviser is in the Adviser's discretion.

There can be no assurance that any of the Outside Support Providers will continue to serve in such roles and/or continue their arrangements with the Adviser, the Funds and/or any portfolio companies throughout the terms of the Funds.

#### *Fund and Portfolio Company Level Borrowing*

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including but not by limitation, to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion or to fund capital contributions at the closing of an investment. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, as well as the general partner, but is not expected to be used for funding the capital contributions of any Side-By-Side Co-Investment Vehicle.

In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. In such instances the Funds would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by co-investors or any Side-By-Side Co-Investment Vehicle) benefit from the credit risk taken by the Fund's guarantee.

Although borrowings by the Fund have the potential to enhance overall returns that exceed the Fund's cost of funds, such borrowings increase the potential exposure of the Fund to a particular investment above the level that the Fund would typically have had an investment been limited to equity. Any such borrowings would further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds. To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing (especially where financing remains outstanding for longer durations) as these calculations generally depend on the amount and timing of capital contributions, which timing is delayed by virtue of use of the line. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also

increase the Carried Interest received by the Fund's general partner by effectively reducing or eliminating the preferred return received by the limited partners and accelerating or increasing distributions of Carried Interest to the general partner. The general partner therefore has a conflict of interest in deciding whether to borrow funds because the general partner is likely to receive disproportionate benefits from such borrowings.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

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

Additionally, certain of the Fund's investments currently use back leverage and the Funds' investments will likely use back leverage for future investments. Generally, back leverage has been entered into on a non-recourse basis to the Funds and collateralized by the investments that utilize the leverage. However, it is possible that, in the future, a Fund could utilize back leverage that is recourse, such as through a guarantee by the Fund, or that is collateralized by a broader universe of investments. Back leverage potentially enhances the return profile for an investment, but also increases the risk of the investment, including the risks associated with linked investments held through the same leverage facilities.

In addition, in the event that a portfolio company were to borrow funds directly through the Fund facility, the applicable Funds may charge the portfolio company borrower higher interest rates than the interest rate the Funds pay pursuant to such financing facility, among other things, to help offset origination and other facility costs.

### *Fee Structure*

Because there is a fixed investment period after which capital from investors in certain Funds will only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser may not otherwise have done so. The manner in which Carried Interest is calculated for certain Funds may also create an incentive to deploy capital more quickly as well.

Additionally, as discussed above in Item 6, the Advisers are entitled to Carried Interest under the terms of the Organizational Documents of certain Funds. The existence of the Adviser's Carried Interest creates an incentive for the Adviser to cause such Funds to make more investments with

higher risk profiles, which may be more speculative, than they would otherwise make in the absence of performance-based compensation. However, the fact that the Adviser or its affiliates is also invested in the investment helps to mitigate this potential conflict and foster an alignment of interest.

Pursuant to the Governing Documents, the general partner may be required to return excess amounts of Carried Interest as a “clawback.” This clawback obligation may create an incentive for the general partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the general partner. Conversely, the manner in which Carried Interest is calculated for certain Funds may create an incentive to realize investments more quickly as well.

The general partner may elect to receive its Carried Interest in the form of an in-kind distribution of securities of a portfolio company for purposes of permitting one or more general partner personnel to donate such securities to charity (which may include private foundations, donor-advised funds or other charities so chosen by such personnel), or as otherwise permitted under the terms of the Governing Documents. Any tax efficiencies to such general partner personnel associated with this form of charitable giving may have the effect of creating a potential misalignment of interests where Adviser Personnel may have incentives in relation to such in-kind distributions (including, for instance, the timing of disposition of investments) that may not be aligned with the Fund’s interest.

#### *Diverse Membership*

Investors often have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest arise in connection with the decisions made by the Adviser, including with respect to the nature or structuring of investments that are more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser will consider the investment and tax objectives of the Funds, not the investment, tax, or other objectives of any investor individually.

#### *Business with and Among Portfolio Companies and Investors*

At times, the Adviser recommends a portfolio company’s services to other portfolio companies which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate of the Adviser, or a portfolio company. The Adviser may have a conflict of interest in making such recommendations, especially where the corresponding portfolio companies are in two different Funds, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best or lowest cost option available to the portfolio companies held by the Funds and could result in higher expenses for the portfolio company as well as an advantage for the Fund holding the service-providing portfolio company at the possible expense of the Fund holding the portfolio company to which services are being provided. The

benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Current and former officers and executives of portfolio companies have in the past invested, and are likely in the future to invest, in a Fund. These individuals may participate directly in a Fund, or in recent Funds may be participants in a friends and family vehicle which enables them to invest without payment of fee or Carried Interest. While the Adviser believes this aligns portfolio company management teams with the best interests of the Fund, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to the portfolio company owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company. Further, over time, a Fund's portfolio company may rely on another portfolio company (whether in the same or a different Fund) in such customer, service provider, or other capacity and any change in such relationship could have a material impact on one or both portfolio companies. The Adviser may mitigate such conflicts, for example, by using market or other objective data to support pricing as applicable, and by seeking to ensure appropriate information barriers are in place in instances where one of the Fund's portfolio companies is in competition with another. In addition, it is possible that one or more portfolio companies of the Fund may look to buy or sell a business or asset to or from a portfolio company of another Fund (or to or from the other Fund itself).

The Adviser generally has an incentive to recommend to the Funds the products or services of certain investors in the Funds, certain third parties (including lending sources), or their related businesses, to the Funds, or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best or lowest cost option available to the Funds or the portfolio companies and could result in higher expenses for the portfolio company as well as an advantage for the Fund holding the service-providing portfolio company. A Fund may also invest in an investor, or an affiliate of a limited partner, or be required to forgo a business opportunity because such limited partner is an investor in a Fund.



Portfolio companies controlled by a Fund have in the past, and will, from time to time in the future, provide services to certain Fund investors or prospective investors. The Adviser has an incentive to cause the portfolio company to favor those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

The Adviser and its related persons, in certain instances, may receive favorable procurement terms, including fees, servicing payments, rebates, discounts and other financial benefits on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies. Such discounts will also not be subject to the offset arrangements described above. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to offsets or otherwise shared with the relevant Funds. In addition, portfolio companies of the Funds have in the past offered and may in the future offer the Adviser and its related persons products and services at a discounted price or on better terms that would not be offered to a third party in an arm's length transaction. Such discounted price or better terms could adversely affect the returns of such portfolio companies and, in turn, the returns of the Funds. For additional information regarding discounts on products and services provided by portfolio companies of Funds, please see Item 5 above and Item 14 below.

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

The Adviser may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment, could result in another Fund making an investment or otherwise benefiting from the first Fund's investment, and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In addition, certain portfolio companies of the Funds and the portfolio company employees are, or have been counterparties to, investors in, or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are not subject to the Advisory Fee offset provisions described herein. Moreover, the Adviser and its affiliates and/or a Fund may participate in or purchase debt or securities of a portfolio company in a syndication, underwriting or other similar transaction, in which case the Adviser and its affiliates

and/or such Fund, as applicable, will benefit from a discount or rebate (which may come in the form of a purchase price reduction) on its portion of the commitment, underwriting or other similar fee, and any such discount or rebate likewise will not be subject to the sharing or offset arrangements described above. While the Adviser may have a conflict of interest because its economic benefit would incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements will typically benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Certain members of a Fund's limited partner advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partner of a Fund will from time to time utilize the services of investors and their affiliates on an arm's length basis on commercially reasonable terms, as it deems appropriate.

The Adviser and its affiliates have in the past and may, from time to time in the future, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can eliminate all such conflicts of interest and there may be a continuing, actual, or appearance of, a conflict of interest (including, for instance, preferential hiring practices), which could adversely impact a Fund or one of its portfolio companies.

A Fund could hold an investment in a different layer of the capital structure than an investor or another party with which the Adviser has a material relationship, in which case the Adviser could have an incentive to cause the Fund or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

The Adviser, including through its Operating Team and/or capital markets team, have in the past recommended, and are expected in the future to recommend, or make referrals to or introduce, portfolio companies (or service providers to a Fund) to portfolio companies of another Fund, and/or may recommend, refer or introduce existing portfolio companies that are already engaged in business transactions to improve, deepen and/or alter the terms of the business relationship between these portfolio companies, in each case, which has in the past and in the future may be an obligation on the Adviser or its affiliates pursuant to an agreement with a portfolio company. Additionally, the Adviser may recommend or make referrals to companies which may later on become portfolio companies of a Fund and/or companies that were formerly portfolio companies where members of the Adviser continue to participate in or otherwise have influence over the management of such former portfolio companies. The Adviser may engage in such recommendations, references and/or referrals in order to achieve various goals, including, but not limited to, efforts to increase revenue per customer of such companies (e.g. through "cross-sell" and "up-sell" arrangements), efforts to increase revenue growth of such companies and efforts to increase the customer base and/or revenues of such companies, and, in turn, increase the value of

such Fund's investment and, in addition, the Adviser's investment in such companies through its Funds. Likewise, such referrals or introductions may result in other financial benefits such as collaboration between the companies involved. In the event a portfolio company is introduced to, or asked to use the products or services of one or more portfolio companies of another Fund, or otherwise transacts with any such other portfolio company, the Adviser would have a financial interest in both sides of this transaction. This represents a conflict of interest and there may be transactions of this type that occur that are thus not at arm's length and which could either benefit or harm a Fund while in either case benefiting the Adviser and its other Fund(s). These types of transactions involving the portfolio companies of two or more Silver Lake Funds are expected to become increasingly common as Silver Lake continues to heighten its focus on leveraging synergies across portfolio companies more generally. Separately, it is also possible that a portfolio company could receive and/or use the data of, or share data with, portfolio companies of other Funds (see "*Data*" herein). A Fund and the limited partners typically will not share in any fees, economics, equity or other benefits accruing to the Adviser, the Funds and their portfolio companies as a result of the introduction of the Fund and its portfolio companies.

With respect to transactions or agreements with portfolio companies (including, for the avoidance of doubt, long-term incentive plans) occurring at times when there are no "unrelated" (i.e., unaffiliated with the Adviser) officers of a portfolio company, the Adviser may negotiate and execute agreements on behalf of the portfolio company with the Adviser, a Fund and their portfolio companies and affiliates and other related parties. These negotiations would not be arm's length and would entail conflicts of interest. Among the measures the Adviser may use to mitigate such conflicts is to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms, or establish separate groups with information barriers within the Adviser to advise on each side of the negotiation.

#### *Service Providers; Relationships with Investors*

Services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser. This can create a conflict of interest because the Adviser has an incentive to outsource such services to third parties at the expense of the Funds to, among other things, leverage the time and use of Adviser Personnel and/or for other purposes in a manner which recoups the costs of some of its overhead. Such services may include, without limitation, deal sourcing via consultants or other third parties, information technology (including with respect to litigation), cyber security, licensed software, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, human resources, client services, compliance, corporate secretarial, know your customer and anti-money laundering services (including provision of officers and other services as required in different jurisdictions), director services and legal and tax support and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision during the life of the Fund to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future (nor does it preclude the Adviser, acting in good faith,

from otherwise changing its method of allocating certain costs to a Fund), and the Adviser has no obligation to inform such Funds or investors of such a change. In addition, certain internal service providers (such as internal accountants) may “shadow” or otherwise review the reports of other services provided by such third parties, such as an administrator. The costs and expenses of any such third-party service providers may be borne by the Funds in accordance with a Fund’s Organizational Documents.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies. Such service providers or their affiliates are, in certain circumstances, investors in a Fund or affiliates of such investors, or placement or other agents acting on behalf of a Fund, and may include, for example, investment and commercial bankers, outside legal counsel, pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). In addition, individual investors may be engaged to serve in various employment roles at the portfolio companies. The engagement of any such service provider or person may be concurrent with an investor’s admission to a Fund, or during the term of such investor’s investment in the Fund. This creates a conflict of interest. For example, the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, former Adviser Personnel may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to the Adviser, the Funds and/or portfolio companies. While employed by the Adviser, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by the Adviser unless a Fund’s governing documents permit certain allocations of internal expenses to the Fund. If former Adviser Personnel become an employee or consultant of a third party that also provides services to a Fund, such former Adviser Personnel may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Adviser Personnel working on the Fund will be borne entirely by the Fund and no such amounts will reduce the management fee paid or the Carried Interest distributed by such Fund on the basis that such person used to be former Adviser Personnel.

Additionally, Adviser Personnel, and/or their family members or relatives, have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company or whether to introduce such service provider to a Fund or a portfolio company. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested, will provide other services or benefits that are beneficial to the Adviser or its affiliates or any Adviser Personnel and/or financial sponsorship or events held by the service provider (such as transaction closing and/or other elegant dinners, outings, trips or informational summits or training events for the Adviser or portfolio company personnel). Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the

relevant Fund(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, including if the service provider is an investor, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. In these instances, the Adviser uses reasonable efforts to mitigate such conflicts and uses good faith efforts to negotiate market terms for service providers' services.

Certain other service providers to the Adviser, the Funds and/or the portfolio companies, or affiliates of such service providers, may also provide goods or services to or have business, personal, financial or other relationships with the Adviser, its affiliates, or their respective portfolio companies and/or Adviser Personnel. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which the Adviser and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit the Adviser and/or such Fund.

The Adviser has an incentive to provide business to certain service providers, for example but without limitation, to banks or underwriters, where there is a possibility that such service provider may source business to the Adviser in the future. Such business could include, for example, the Adviser inviting a bank to participate as part of the group in a transaction, for a fee. This creates a conflict, as has occurred in the past and is likely to occur in the future, in that one Fund may retain a service provider and bear any associated fees or costs, while another Fund or the Adviser would then benefit in the future from such retention, for example, in the form of a referred opportunity that resulted from the formation of a positive business relationship.

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

#### *Allocation of Personnel*

The Adviser will devote such time as necessary to conduct the business affairs of the Funds in an appropriate manner. Adviser Personnel will work on other projects, including the Adviser's prior Funds and their investments, and possibly other vehicles and activities. Such personnel will also serve as members of the boards of directors of various companies other than portfolio companies. Conflicts may arise as a result of such other activities, including activities that are wholly separate from the Funds. The possibility exists that such companies with which Adviser Personnel are affiliated could engage in transactions which would be suitable for the Funds, but in which the Funds might be unable to invest as a result of such conflicts. Adviser Personnel have an incentive to allocate more time, services and functions to the Funds from which such personnel believe they will derive a higher economic benefit and/or better performing Funds.

### *Receipt of Confidential Information*

In connection with other outside activities and relationships, from time to time, Adviser Personnel acquire material non-public information or other confidential information or are otherwise restricted from initiating transactions in certain securities. As a result, in such a situation the Funds advised by the Adviser will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Such restrictions may last for significant periods of time and may impact the returns on investments, for example by impacting the timing of a transaction.

The Adviser or an affiliate may actively pursue one or more new strategies, and may in the future consider additional new strategies, including but not limited to the launch of a capital markets and/or credit advisory function to advise on the issuance of debt or equity and/or to participate in loan origination, syndication and/or servicing. When the Adviser or an affiliate engages in any such business, the Adviser or an affiliate is expected to encounter conflicts of interest between that business and its other businesses. Such conflicts include but are not limited to that any Silver Lake investment strategy or advisory business may come into possession of proprietary or confidential information the receipt of which could limit the ability of other strategies or businesses to engage in potential transactions. For example, strategies or businesses in receipt of proprietary or confidential information could be restricted from investing or trading as a result, including because of use restrictions under non-disclosure agreements, being in possession of material non-public information, or otherwise. Additionally, there may be circumstances in which one or more individuals associated with the Adviser will be precluded from providing services to a general partner or the Adviser because of certain confidential information available to those individuals or to other parts of the Adviser. A Fund's activities may be constrained as a result of these conflicts of interest. The Adviser will not be under any obligation to decline any engagements or investments in order to make an investment opportunity available to a Fund and as a result, a Fund's ability to engage in transactions may be affected.

### *Positions with Portfolio Companies*

Certain Adviser Personnel serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Adviser Personnel's fiduciary duties as a director conflict with those of the Fund, it is expected that the interests will mostly be aligned. Adviser Personnel serving as a director to a portfolio company owe a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and these duties may not always be aligned. In certain circumstances, for example in situations including auction processes, cross-fund sales, or the bankruptcy or near insolvency of a portfolio company, actions that may be in the best interests of a particular portfolio company may not be in the best interests of the Fund and vice versa. In the event of such conflict there can be no guarantee that each decision made by a board member will have a positive performance impact on a Fund or would be aligned with a Fund's interests (particularly in distressed situations). In addition, to the extent an Adviser Personnel serves as a director on the board of more than one portfolio company, such Adviser Personnel's fiduciary duties among the two portfolio companies

may create a conflict of interest. Additionally, such persons are required to remit to the Adviser any remuneration they receive as directors on behalf of the Adviser. Such remuneration is then subject to the sharing or offset arrangements discussed above except as otherwise described below upon the exit of a portfolio company. Occasionally, a senior advisor will serve as a director of a portfolio company or a consultant to a portfolio company. In this case, because a senior advisor is neither an employee nor an affiliate of the Adviser, it is expected that his/her remuneration will not be remitted to the Adviser or an affiliate thereof nor offset. In addition, Adviser Personnel have in the past, and will likely in the future leave the employment of the Adviser and become an officer or employee of a portfolio company. At such time, any remuneration received by such employees, including for any board service, is no longer remitted to the Adviser nor is it subject to the offset arrangements.

In addition, from time to time certain Adviser Personnel serve in bona fide, non-director management capacities (or other operational capacities involving a material portion of such person's business time) at portfolio companies. In such cases, the Adviser will not offset compensation, including any equity compensation, directly or indirectly received by such Adviser Personnel pursuant to the respective Fund's Governing Documents.

Decisions made by a director may subject the Adviser, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty or care, securities claims and other director-related claims. In general, the Funds will indemnify the Adviser and Adviser Personnel from such claims to the extent not indemnified by a portfolio company.

From time to time Adviser Personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such person's employment with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such Adviser or former employee are generally not subject to the Advisory Fee offset described above, nor otherwise shared with the Funds and/or investors.

In addition, the Adviser may continue to receive compensation and fees from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment are not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

The Adviser and its personnel have in the past received and can also, in the future, be expected to receive, certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts from service providers or portfolio companies, including reduced fee or no fee services or products, which will not be subject to the offset arrangements described above or otherwise shared with such Fund, its limited partners and/or portfolio companies. For example, airline travel or hotel stays incurred as Fund expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Adviser and/or such personnel (and not such Fund, its limited partners and/or portfolio companies) even

though the cost of the underlying service is borne by such Fund and/or portfolio companies. In addition, airline travel incurred as a Fund expense for an Adviser Personnel traveling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser Personnel to the extent the trip also serves a personal purpose, as occurs from time to time.

Certain personnel of the Adviser or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies may pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives, as applicable, and may reimburse the Adviser or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Adviser may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Adviser or its affiliates to such persons may, but need not, be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Advisory Fee paid or Carried Interest distributed by the Fund to the Adviser will not be reduced. With respect to any amounts paid to such persons by a portfolio company (or paid by the Adviser and reimbursed by a portfolio company) concerning such personnel, in the event that employee is not a key person (as defined by the applicable Governing Documents of the applicable Fund) of the Adviser and is spending a material portion of his or her business time in a non-director management role at the portfolio company, it is expected that the fees will not be treated as expenses to be borne by the Fund and will not reduce the Advisory Fee otherwise payable to the Adviser or any Carried Interest otherwise payable to the Adviser or its affiliates. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an industry specialist, an employee or former employee of the Adviser, or a seconded employee may be unclear. In such cases, the Adviser will make a determination in good faith based on its evaluation of the relevant facts and circumstances.

#### *Side Letter Agreements; Advisory Committee Rights*

The Adviser has in the past entered into, and expects to enter in the future into, side letter or other similar arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms. Such rights or terms in any such side letter or other similar agreement with an investor may include, without limitation, (i) economic arrangements, (ii) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (iii) the Adviser's agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special regulatory or other circumstances of such investor, which may be at the investor's request and expense, (iv) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the Adviser for the benefit of lenders or other persons extending credit to or arranging financing for the Fund, (v) consent of the Adviser to certain transfers by such investor or other exercises by the Adviser of its discretionary authority under the Governing Documents for the benefit of such investor, (vi) restrictions on, or special rights of such investor with respect to the activities of the Adviser, (vii)



withdrawal rights (subject to consent of the Adviser) due to legal, regulatory or policy matters, including matters related to political contributions, gifts and other such policies, (viii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor, and (ix) matters regarding such investor's right to participate in investment opportunities. Except as otherwise agreed to with an investor, the Adviser is not required to disclose the terms of side letter arrangements with other investors in the same Fund. Such side letter agreements may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

Many of the Funds have established a limited partner advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all, investors are permitted to designate a member to the limited partner advisory committee because those designating limited partners will, for instance, have greater information rights. The Adviser may also consult with a limited partner advisory committee as to certain potential conflicts of interest (as has occurred in the past), which conflicts could be disadvantageous to the investors, including those investors who do not designate a member to the limited partner advisory committee. Representatives of the limited partner advisory committee may have various business and other relationships with the Adviser, Adviser Personnel and its affiliates. These various differing relationships may influence the decisions made by such members of the limited partner advisory committee.

In addition, members of one Fund's limited partner advisory committee may also be a member of another Fund's limited partner advisory committee. In such instances, a conflict of interest exists because the Funds with such overlapping limited partner advisory committee members may have conflicting interests and such limited partner advisory committee members may be requested to provide their consent with respect to such conflicts of interest and are unlikely to recuse themselves, or be excluded from, from any such vote.

#### *Advisory Affiliates*

As described in Item 10 above, each Adviser has its own clients. Clients of the Advisers invest in the same portfolio companies from time to time, including in the same security or in different securities of such a portfolio company. In such circumstances, interests of the Adviser's clients conflict with the interests of the clients of these affiliates. For instance, see "*Allocation of Investment Opportunities Between or Among Clients*", "*Allocation of Co-Investment Opportunities to Third Party Investors*" and "*Conflicts Related to Purchases and Sales*" above for more information.

#### *Competing Companies*

Adviser Personnel and Outside Support Providers or consultants to Silver Lake may serve as directors or interim executives of, or otherwise be associated with, companies that are competitors of portfolio companies of a Fund (including portfolio companies of other Funds). In such cases,

such personnel may be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. It is expected that the interests of a competitor company would not be aligned with those of the Fund in question or such Fund's portfolio companies. This may result in a conflict between the relevant individual's obligations to a portfolio company or competing company and the interests of such Fund. In some circumstances, having Adviser Personnel serve as directors or interim executives of another company (including, for these purposes, a portfolio company of any other Fund) may restrict the ability of such Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

In addition, other Funds (including predecessors to a Fund) may be invested in companies that are competitors of portfolio companies of such Fund (or such Fund may own portfolio companies that are competitors of one another, or at least have certain competing businesses). Accordingly, portfolio companies of such Fund or portfolio companies of other Funds may do business with, support, or have other relationships with competitors of such Fund's other portfolio companies, and prospective investors should not assume that a company related to or otherwise affiliated with the Adviser will only take actions that are beneficial to or not opposed to the interests of such Fund and its portfolio companies. Further, the Adviser or its employees individually may have confidential information relating to two or more of these portfolio companies and may have conflicting purposes for the use of such information. In such circumstances, the Adviser will tailor its policies with respect to information sharing to ensure compliance with all contractual or fiduciary nondisclosure requirements and any relevant antitrust or other applicable laws but otherwise will not be restricted regarding its use of information which could adversely impact a portfolio company or such Fund for the benefit of another portfolio company or other Fund. While the Adviser has policies and procedures designed to mitigate conflicts that may emerge as a result of such ownership there can be no guarantees that any resulting conflicts will be resolved in favor of such Fund.

### *Simultaneous Transactions*

There may be instances where the Adviser negotiates transactions with counterparties that involve two Funds in different capacities. For example, as has occurred in the past and may occur again in the future, one Fund may sell an interest in a portfolio company to a counterparty (such as another sponsor's fund), while the same counterparty acquires an interest in a portfolio company of a different Fund. In case of such conflict, a portfolio company may be a competitor of, or otherwise operate in the same industry as, the portfolio company in which the Adviser is selling an interest to such counterparty. There may be actual, potential or perceived conflicts of interest in connection with such transactions due to the Adviser's duties to a Fund on one hand, and the other Fund participating in the related transaction on the other, for example with respect to ensuring each transaction is separately in the best interest of the applicable Fund and that the valuations are fair and reasonable to each respective Fund, among other things. To mitigate such conflicts, the Adviser may, for example, negotiate each such transaction independently and ensure there is not a cross-conditioned closing of the two transactions, to ensure that the terms of each such transaction stand on their own merits and the Adviser satisfies its duties to each Fund.

### *Buying and Selling Investments or Assets from Certain Related Parties*

As has happened in the past, a Fund and its portfolio companies may purchase portfolio investments or assets from or sell portfolio investments or assets to limited partners, portfolio companies of other Funds, Side-by-Side Co-Investment Vehicles or their respective related parties, including parties which such limited partners or portfolio companies or other Funds or other Side-by-Side Co-Investment Vehicles own or have invested in. Purchases and sales of investments or assets between one Fund or its portfolio companies, on the one hand, and the limited partners and/or portfolio entities of other Funds or other Side-by-Side Co-Investment Vehicles or their respective related parties, on the other hand, are not subject to the approval of the limited partner advisory committee or the limited partners of the Fund. These transactions involve conflicts of interest, as the Adviser may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives the Adviser may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by a Fund to a limited partner, portfolio company of other Funds or other Side-by-Side Co-Investment Vehicles or any of their respective related parties will not be valued at or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a limited partner, portfolio company of other Funds or other Side-by-Side Co-Investment Vehicles or such related parties. The Adviser will not be required to solicit third-party bids or obtain a third-party valuation prior to causing a Fund or any of its portfolio companies to purchase or sell any asset or portfolio investment from or to a limited partner, portfolio company of other Silver Lake Funds or other Side-by-Side Co-Investment Vehicles or any of their respective related parties as provided above. Such transactions may, but are not required to, involve a third party or a fairness opinion which would serve to mitigate such conflicts to the extent of any independent pricing validation.

### *Other Potential Conflicts*

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

Investors should be aware that there will be instances where the interests of affiliates of the Adviser may potentially or actually conflict with the interests of the Funds and the investors. If any matter arises that the general partner or the Adviser determines in its good faith judgment constitutes an actual or potential conflict of interest, the general partner or the Adviser will take such actions as may be necessary or appropriate to ameliorate or disclose such conflict, or seek limited partner advisory committee consent from the applicable Fund or Funds. By investing in the Funds, each investor will be deemed to have acknowledged the existence of any such actual or potential

conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

The Adviser or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service providers have in the past and may in the future be seconded to the Adviser or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Adviser is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to the Adviser, its affiliates and/or portfolio companies (as has occurred in the past and is likely to occur in the future) and in any such circumstance the benefits or costs of any such personnel will be allocated in the Adviser's discretion taking into consideration the usage of such personnel. The Advisory Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Adviser or its affiliates have an incentive to select one service provider over another on the basis that the Adviser or its affiliates may receive the benefit of seconded employees from such service provider (or such other benefit, as applicable), particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Adviser or its affiliates.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). From time to time, members of the law firms engaged to represent the Funds invest in the Funds, and also represent one or more portfolio companies, investors in the Funds or Adviser Personnel. In the event of a significant dispute or divergence of interest between a Fund and the Adviser and/or Adviser Personnel, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required or desired. Legal counsel of the Adviser and the Funds renders legal services to the Adviser and the Funds and does not represent the interests of any investor in a Fund. Additionally, the Adviser, Adviser Personnel and the Funds and the portfolio companies of the Funds engage other common service providers from time to time. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Adviser, its affiliates or Adviser Personnel as compared to services provided to the Funds and/or the portfolio companies, which may result in the Adviser, its affiliates or Adviser Personnel receiving more favorable rates or arrangements with respect to services provided to it by a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser, its affiliates or Adviser Personnel receiving a discount on services even through the Funds and/or the portfolio companies receive a lesser, or no, discount. For example, both the Adviser and the Funds benefit from a 10% discount from our primary outside law firm for non-transactional work. In addition, time spent by attorneys in such law firm's personal planning department, whether for transactional or non-transactional matters and whether for the Adviser or the Funds, is billed at a 10% discount to the law firm's regular hourly rates, reflecting what the Adviser understands to be

the law firm's prevailing market rate for those lawyers' services. In practice, this personal planning advice discount tends to benefit the Adviser and Adviser Personnel as the Funds do not have a regular need for personal planning advice. In addition, in connection with an actual or potential portfolio investment, the Adviser may from time to time compensate an investment bank or other service provider in connection with their contributions to such investment, which such contributions may be indirect, qualitative and/or may include, or consist entirely of, consideration for potential future business opportunities, and whether or not such arrangements have been formalized with a written agreement. While any such payment is expected, in part or in whole, to be borne by a Fund, such arrangements may provide a benefit to other Silver Lake Funds, including by virtue of any goodwill generated between the Adviser and such service provider, which could result in enhanced deal flow to such other Silver Lake Funds which have not borne a portion of such fees paid to the investment bank.

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

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

The Organizational Documents of certain Funds permit each such Fund's general partner, or its affiliates, to lend money to the applicable Fund. Such lending arrangements create conflicts of interest between the applicable general partner or affiliate and the Fund acting as borrower.

Furthermore, pursuant to the Organizational Documents of the Funds, the general partner of each Fund, or its affiliates, may receive distributions in-kind from an investment disposition. In the event the general partner of a Fund, or its affiliates, receive such a distribution, such general partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include a determination to sell its securities prior to the time at which an investor sells its share of distributed securities), or hold on to the distributed securities for such time as such general partner shall determine. The ability of a general partner of a Fund to act in its own interest with respect to such distributed shares creates a conflict of interest between such general partner or affiliate, as an adviser to such Fund, and such Fund. The general partners are particularly incentivized to receive distributions in-kind of securities that they expect to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities and the general partner will receive more value from the securities than it would have had its Carried Interest been paid in cash. Furthermore, the general

partner, or its affiliates, may receive distributions in-kind from an investment disposition. In the event the general partner, or its affiliates, receive such a distribution, the general partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the general partner shall determine. The ability of the general partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or affiliate, as an adviser to the Fund, and the Fund.

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

Dyal currently owns less than 5% of the Adviser (Dyal previously owned 9.9% of the Adviser) and Mubadala currently owns less than 5% of the Adviser (which interest was acquired from Dyal). Neither Dyal nor Mubadala has any control over the day-to-day operations or investment decisions of the Adviser, but they each have certain customary minority protection consent rights. Dyal and Mubadala have previously made, and are expected to make investment commitments to the Main Funds, including indirectly through the applicable general partner entities. The Adviser may have an incentive to provide more favorable terms to Dyal and/or Mubadala than to other investors, more detailed reporting and other information, or individual company co-investment opportunities and/or manage a Main Funds' investments in a manner beneficial to Dyal and/or Mubadala as a result of their investments in the Adviser.

In August 2016, certain principals of the Adviser acquired from CalPERS its remaining 0.5% stake in the Adviser (CalPERS had previously owned 9.9% of the Adviser). CalPERS remains an investor in certain Funds and had certain co-investment rights as a result of its prior stake in the Adviser. CalPERS was previously an investor in the general partner of Silver Lake. CalPERS currently serves on the limited partner advisory committee of one or more of the Funds. It is possible that in the future one or more limited partners with the same or similar interests in Silver Lake could serve on the Funds' limited partner advisory committees. If so, such investor(s) would be incentivized to take into account considerations that are favorable to the Adviser (and not other investors in the Funds).

Jim Davidson, Silver Lake's Co-Founder, has transitioned from being a Managing Partner to devoting his business time to other projects outside of the Adviser, and he is no longer subject to the Adviser's compliance and reporting policies. Mr. Davidson is expected to continue to have a substantial interest in some or all of the Funds, including directly or indirectly through their general partners, either directly and indirectly through investment vehicles managed by or on behalf of Mr. Davidson, and neither Mr. Davidson nor such vehicles are expected to pay management fees or Carried Interest in connection with such investments. Mr. Davidson is a significant personal investor outside of Silver Lake, and it is possible that a Fund will seek to invest in the same, or similar, types of portfolio companies as Mr. Davidson and/or investment vehicles managed by or

on behalf of Mr. Davidson, including investing alongside, or acquiring an investment therefrom, or selling an investment thereto. Conflicts of interest could therefore arise between Mr. Davidson and the Funds, including based on his interests in certain Funds. Additional conflicts could also arise in connection with investments by Adviser Personnel in one or more of Mr. Davidson's entities and/or as a result of the investment by Mr. Davidson and his entities in the Fund or General Partner. Such investments may include companies that, at the time of such Adviser Personnel's investment, are determined not to be suitable for a Fund (including, for example, due to size of the investment, or whether the company is determined to be within the technology and/or tech-enabled sector) but may, in the future, become suitable opportunities for a Fund. This could present a conflict of interest at such time as the Fund might consider making an investment, because the Adviser Personnel may have an independent financial interest to incentivize the Fund to invest in that opportunity. To the extent any Fund seeks to acquire or invest in such an investment in the future, if Adviser Personnel have made a personal investment therein, such Adviser Personnel may or will have conflicting interests with respect to any such potential future Fund investment.

In addition, one or more current Managing Partners of the Adviser have established, and may in the future establish, family offices for the purpose of making and managing personal investments. Such family offices may or have employed professional staff at the Adviser's expense, but will generally conduct their day-to-day operations independently of the Adviser. The investment activities of such family offices, and the involvement of any Managing Partner in these activities, could give rise to potential conflicts between the personal financial interests of any such Managing Partner and the interests of the Funds, however any such family office will be subject to the Adviser's policies and procedures (including with respect to potential conflicts of interest and allocation considerations) which are intended to mitigate such conflicts.

Certain Adviser Personnel provide research, trust, administrative, financial, reporting and similar services to the current and retired Managing Partners of the Adviser and certain of their family members and estate planning vehicles, in each case with respect to personal investment activities. Such services could potentially present a conflict of interest between the Adviser and a Fund. However, the Adviser believes potential conflicts of interest are substantially mitigated because (i) the investments are not investments that would be suitable for a Fund, (ii) the investments which are supported by such Adviser Personnel are reportable by the current and retired Managing Partners and subject to preclearance pursuant to the Adviser's Code of Ethics, (iii) such Adviser Personnel are not involved in the provision of investment advice to a Fund and (iv) such Adviser Personnel generally do not exercise investment discretion with respect to such personal investment activities.

Although the Adviser does not presently intend to implement this strategy, the Funds may in the future create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company ("Holding Company") would be created that would acquire and manage the companies in the platform. The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In such circumstances, the Holding Company employees may include former employees of the Adviser, or current, prospective or former senior advisors or consultants to the Adviser and its affiliates. The Holding Company's costs and expenses (including compensation for its personnel, which compensation

may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Advisory Fees and Carried Interest from the Fund, the Adviser will benefit from the assets, income and gains of the Holding Company. Additional conflicts will arise in this context if the Holding Company holds portfolio companies from more than one Fund. The Adviser will seek to mitigate any such conflicts but there can be no assurance it will do so collectively.

In addition, while the Adviser has no present intention to do so, the Adviser may in the future recruit a management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by the Adviser to the Funds. The Fund would be expected to bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, management or other fees, employee compensation (including cash compensation and profits-interest), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable Fund as Fund expenses or indirectly as the Fund bears the start-up and ongoing expenses of the newly-formed platform portfolio company. Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser.

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

### **Conflicts Applicable to Silver Lake Alpine:**

#### *Contractual Provisions Relating to Allocation*

Where the governing agreement of another Fund gives such Fund contractual rights with respect to certain investment opportunities that also meet the investment objectives of Silver Lake Alpine, the general partner is in certain cases required to allocate such investment opportunity to the relevant Fund with such priority (and not Silver Lake Alpine) subject to certain discretionary factors, under the Governing Documents.

In accordance with its Governing Documents, Silver Lake Alpine does not have the exclusive unconditional right to any investment opportunity; however, certain of the Silver Lake Partners Funds and the Silver Lake Alpine Funds have a standing arrangement regarding allocation and investing together in certain investments pursuant to a fixed ratio. Accordingly, the Adviser is under no obligation to offer investment opportunities to Silver Lake Alpine (including investment opportunities that fall within Silver Lake Alpine’s investment strategy and mandate) and may choose to allocate all or part of any such opportunity to any other Fund or any business in which Silver Lake has invested, in consideration of its allocation guidelines and consistent with the Governing Documents of the Funds. This could result in the Adviser allocating an investment



opportunity to another Fund, even if it might have also been considered an investment opportunity for Silver Lake Alpine.

#### *Conflicting Fiduciary Duties to Other Funds*

As described above, conflicts may arise in connection with allocation of investment opportunities between Silver Lake Alpine and other Funds, including because of possible overlapping mandates or because of the possibility of two Funds being invested in different parts of the capital structure which could create differing economic incentives, in particular during times of financial distress. In order to seek to mitigate these conflicts, the Adviser has adopted certain requirements, policies and procedures. For instance, Silver Lake Alpine's partnership agreements impose restrictions on Silver Lake Alpine's percent ownership of debt tranches under certain situations, limits Silver Lake Alpine's ability to serve as a lead arranger or participate on the creditor's committee under certain circumstances, and may also limit Silver Lake Alpine's voting rights as provided in the partnership agreement. While these processes and procedures are designed to mitigate conflicts, there can be no assurances that they will not meaningfully and adversely impact Silver Lake Alpine, including by adversely impacting returns.

#### **Conflicts Applicable to Silver Lake Long Term Capital:**

The Adviser believes that Silver Lake Long Term Capital is an innovative and unique long-term investment vehicle, with strategic value for the Silver Lake organization as a whole that furthers the Adviser's ability to partner with companies across all stages of growth and in all sectors.

#### *Contractual Provisions Relating to Allocation*

Where the governing agreement of another Fund gives such Fund contractual rights with respect to certain investment opportunities that also meet the investment objectives of Silver Lake Long Term Capital, the general partner is in certain cases required to allocate such investment opportunity to the relevant Fund with such priority (and not Silver Lake Long Term Capital) subject to certain discretionary factors.

In accordance with its Governing Documents, Silver Lake Long Term Capital does not have the exclusive unconditional right to any investment opportunity. Accordingly, the Adviser is under no obligation to offer investment opportunities to Silver Lake Long Term Capital (including investment opportunities that fall within Silver Lake Long Term Capital's investment strategy and mandate) and may choose to allocate all or part of any such opportunity to any other Fund or any business in which Silver Lake has invested, in consideration of its allocation guidelines and consistent with the Governing Documents of the Funds. This could result in the Adviser allocating an investment opportunity to another Fund, even if it might have also been considered an investment opportunity for Silver Lake Long Term Capital. In addition, Adviser Personnel may invest personally in investments that may resemble Silver Lake Long Term Capital opportunities and Silver Lake Long Term Capital has no contractual right to such investments.

### *Conflicting Fiduciary Duties to Other Funds*

As described above, conflicts may arise in connection with allocation of investment opportunities between Silver Lake Long Term Capital and other Funds, including because of possible overlapping mandates or because of the possibility of multiple Funds being invested in different parts of the capital structure which could create differing economic incentives, in particular during times of financial distress. In order to seek to mitigate these conflicts, the Adviser has adopted certain requirements, policies and procedures. While these processes and procedures are designed to mitigate conflicts, there can be no assurances that they will not meaningfully and adversely impact Silver Lake Long Term Capital, including by adversely impacting returns.

### **Conflicts Applicable to Silver Lake Waterman:**

#### *Considerations Relating to Allocation across the SLW Funds*

There may be situations in which the general partner of a Fund and its affiliates make different and potentially conflicting decisions on behalf of a Silver Lake Waterman Fund that utilizes leverage (which such leverage may be provided by a third party lender, or may be provided by the SBA following a Fund's application for an SBIC license through which it may apply for (but may not necessarily be granted) leverage from the SBA), on the one hand, and a Fund that does not utilize leverage, on the other hand, due to a levered Fund's use or prospective use of leverage, including as a result of debt covenants or cash flow requirements of lenders. In the event of a default by a Fund which utilizes leverage under its credit facilities, the lender could potentially have the right to assume such Fund's position in a portfolio company, which may have a material adverse impact on both Silver Lake Waterman Funds.

Subject to legal, regulatory, tax and other considerations, a levered parallel Fund will generally invest on a side-by-side basis in all of an unlevered parallel Fund's investments, but the general partner will have significant discretion in determining, among other things, the investment allocations between the parallel levered Fund and the unlevered Fund. Such allocations will be subject to adjustment by the general partner in its sole discretion to reflect available and/or anticipated leverage. There can be no guarantee that leverage ultimately utilized will be in line with the assumptions used by the general partner in determining such investment proportions. There can be no assurance that any of the foregoing conflicts will be resolved in favor of a levered Fund and/or an unlevered Fund.

### **Conflicts Applicable to Silver Lake Sumeru:**

The SLS Fund is not making any new investments. Ajay Shah, former Group Head and former Managing Partner of Silver Lake Sumeru, has also ceased to be affiliated with Silver Lake, although he will continue to shepherd the last remaining company through disposition along with other members of the Silver Lake team. As Silver Lake Sumeru has continued to sell down its remaining positions, the remaining members of the Sumeru Equity Partners team are no longer affiliated with Silver Lake and, along with Mr. Shah, are no longer subject to the Adviser's Code of Ethics and Compliance Policies and Procedures.

### **Conflicts Applicable to Silver Lake Kraftwerk:**

The SLK Fund is not making any new investments other than follow-on investments, if any, and is in the process of finding liquidity for its existing investments. The success of the SLK Fund will depend, in part, on the operations and performance of its investments, and remaining SLK investment professionals' ability to oversee the remaining investments and exit at the appropriate time. The remaining SLK Managing Director will participate in the oversight of the remaining investments, he serves as Managing Director, Head of Business Development and Co-Head of Fundraising and Investor Relations and is expected to spend a majority of his time assisting the investment activities of, or working on other projects with respect to, the Silver Lake Partners and/or Silver Lake Alpine Funds. Conflicts may therefore arise with respect to the allocation of his and the remaining SLK investment professional's time and resources.

### **Item 12. Brokerage Practices**

To meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

#### **Selection of Brokers and Dealers**

For each of the Funds, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's relevant deal team takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, among others, the following: quality of execution (accurate and timely execution, clearance and fair error/dispute resolution); reputation, financial strength, integrity and stability; block trading and block positioning capabilities; willingness to execute difficult transactions; willingness and ability to commit capital; access to underwritten offerings and secondary markets; ongoing reliability; overall costs of a trade (*i.e.*, net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of the Adviser's knowledge of negotiated commission rates currently available and other current transaction costs; nature of the security and the available market makers; desired timing of the transaction and size of trade; confidentiality of trading activity; market intelligence regarding trading activity; and the receipt of prime brokerage and related services, including capital introduction and introductions to management and research and industry information. For the avoidance of doubt, best execution is not limited solely to the consideration of the best available commission rate. To the extent consistent with achieving best execution, the Adviser also considers other business a particular broker or dealer has done with the Adviser, such as identifying investment opportunities or potential investors or performing investment banking services. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks

to select market makers it believes to be actively and effectively trading the security being purchased or sold.

The relevant deal teams and the Adviser's Chief Compliance Officer ("CCO") or his or her designee are responsible for periodically reviewing broker-dealer eligibility including by any or all of the following: reviewing broker-dealer trading volumes, prices, commissions, other transaction costs, and the overall quality of execution, among other things.

### **Aggregation of Trades**

From time to time, the Adviser and its affiliates will aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates generally combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest, such as the Side-By-Side Co-Investment Vehicles. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

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

## **Item 13. Review of Accounts**

### **Oversight and Monitoring**

The investment portfolios of the Funds are frequently private, illiquid, and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and, depending on the size of its interest, generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes investment professionals of the Adviser at differing levels of seniority.

### **Reporting**

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund if required by the Fund's Governing Documents, or within 120 days, as well as quarterly performance reports within 45 days after each of the first three fiscal quarters end if required by the Fund's Governing Documents. The Adviser from time to time, in its sole discretion, provides additional information relating to such Fund to one or more investors in such Fund as it deems appropriate.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies. Such discounts will not reduce the amount of Advisory Fees paid by any Fund, as also set forth in Item 11 above.

While not a client solicitation arrangement, the Adviser has in the past and is expected to from time to time in the future engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee, which may be structured as a flat fee or in an amount equal to a percentage of the capital commitments for interests made by certain potential investors to such Fund that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees paid by the Fund. As some Funds or other vehicles do not pay Advisory Fees, any such reduction will not benefit such Funds.

#### **Item 15. Custody**

As the Adviser relies on the “audit exemption” under the Advisers Act custody rule (*i.e.*, Rule 206(4)-2(b)(4)) for certain Funds, investors in the Funds will not receive account statements from the Funds’ custodians. With respect to Funds that do not meet the requirement of the audit exemption under the Custody Rule, to the extent assets of such a Fund are held by one or more custodial banks, such custodial banks send account statements to an independent representative of investors in such Fund, who compares the account statement received from the custodial bank to account statements the Adviser delivers to investors.

#### **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents of the applicable Fund.

#### **Item 17. Voting Client Securities**

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consents as a security holder with respect to securities owned by the Funds (“Votes”) for which the Adviser exercises voting authority and discretion. The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances the Adviser deems relevant at the time of the vote. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser's CCO, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

While the Funds generally cannot direct the Adviser's Vote, all voting decisions initially are referred to the appropriate investment professional for a voting decision. In most cases, the relevant deal team will make the decision as to the appropriate vote for any particular Vote. In making such decision, the deal team will rely on any of the information and/or research available to it. If the relevant deal team is making the voting decision, it will inform the CCO of any such voting decision, and if the CCO does not object to such decision as a result of her conflict of interest review, the Vote will be voted in such manner.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use her reasonable judgment to address any such conflict of interest and ensure that it is resolved in accordance with her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist the Adviser in fulfilling all or part of its voting obligations. In this regard, the Adviser can retain independent fiduciaries, consultants, or professionals (i) to assist with voting decisions and/or (ii) to which Voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Sharon B. Binger, Managing Director, Chief Compliance Officer & Head of Litigation, Silver Lake, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

#### **Item 18. Financial Information**

Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.